

JPRS-SEA-91-014  
31 MAY 1991



# ***JPRS Report***

19980512 138

DISTRIBUTION STATEMENT A

Approved for public release;  
Distribution Unlimited

# **East Asia**

## ***Southeast Asia***

DTIC QUALITY INSPECTED 3

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

# East Asia Southeast Asia

JPRS-SEA-91-014

## CONTENTS

31 May 1991

### BURMA

Report on Capture of KNU Camps by Military [THE WORKING PEOPLE'S DAILY 14 Apr] .....	1
Development of Shan State Pa-O Region Discussed [THE WORKING PEOPLE'S DAILY 18 Apr] .....	1
Officer Views 'Misconduct' in Government Firm [Rangoon Radio] .....	1

### CAMBODIA

#### COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Commander Surrenders With Arms Cache in Pursat [Phnom Penh Radio] .....	3
---	---

### INDONESIA

#### POLITICAL

Opinions on New Democracy Forum [TEMPO 13 Apr] .....	4
Analysis of Youth Role in 1992 Election [SUARA KARYA 19 Apr] .....	7
Reportage on Nonvoting Youths [EDITOR 13 Apr] .....	10
Politics of Nonvoters .....	10
Voters, Youths, '4th Party' .....	11
Profile of Nonvoters .....	13
Attitudes of Nonvoters .....	14
GOLKAR Official Supports Fair Elections [SUARA KARYA 20 Apr] .....	16
Environmental Group Plans National Boycott [BISNIS INDONESIA 22 Apr] .....	17

#### ECONOMIC

Agreement Reached on Promoting Trade With Algeria [ANTARA] .....	17
Cloves Board Gets State, Bank Support on Prices [TEMPO 13 Apr] .....	17

### MALAYSIA

#### POLITICAL

Analysis of Malay Politics in Kelantan [WATAN 23 Apr] .....	19
Pinang Spirit of '46 Official Expected To Rejoin UMNO [WATAN 25 Apr] .....	20
Former Malacca Spirit of '46 Official To Join UMNO [WATAN 25 Apr] .....	20

#### ECONOMIC

Sogo, Pernas Agree To Build Joint Project [Tokyo KYODO] .....	21
---	----

### PHILIPPINES

Presidential Candidates View 1992 Elections [WE FORUM 22-28 Mar] .....	22
Danding Cojuangco Revises Stance on Local Autonomy [SUN STAR 8 Apr] .....	22
Police Arrest YOU Leader [DIYARYO FILIPINO 2 Apr] .....	23
Widespread NPA Clashes With Military [DIYARYO FILIPINO 28 Mar] .....	23
Abadia Frees 26 Soldiers Involved in 1987 Coup [PHILIPPINE DAILY INQUIRER 11 May] .....	24
Spate of Kidnappings Scares Businessmen [THE MINDANAO CROSS 6 Apr] .....	24
Policemen Believed Involved in Kidnapping [DIYARYO FILIPINO 27 Mar] .....	25
NDF, MNLF Disclaim Kidnap Involvement [THE MINDANAO CROSS 6 Apr] .....	25
Police Name Leaders of Cotabato Ambush [PHILIPPINE DAILY INQUIRER 12 May] .....	26
10,250 Manila Workers Lose Jobs in Weak Economy [THE CHRONICLE 3 May] .....	27

## THAILAND

### POLITICAL

Michai Ruchuphan Comments on Democracy, NPKC [NAEO NA 17 Mar] .....	28
Michai Discusses New Constitution, Elections [DAILY NEWS 3 Mar] .....	30
Anan Comments on Relations With Military [NAEO NA 9 Mar] .....	30

### ECONOMIC

Polymakers React to U.S. 301 Trade Decision .....	32
Amaret, Ex-MP Surin, Doctor [SIAM RAT 27 Apr] .....	32
Asa, Anan, Supachai Respond [MATICHON 28 Apr] .....	34
Kroekrai Reacts to Charges [MATICHON 30 Apr] .....	34
Video, Audio Industry Comments [MATICHON 1 May] .....	35
Sano Unakun, Exporter Respond [DAILY NEWS 30 Apr] .....	35
Police Colonel Views Violators [NAEO NA (LOK THURAKIT SUPPLEMENT) 15 Apr] .....	35
Commerce Official on Countermeasures [BAN MUANG 19 Apr] .....	35
Academic Censures U.S. on Drug Patents [MATICHON 26 Apr] .....	36
Commercial Shipping Sector Policies Discussed .....	37
Official Views Shipping Law [NAEO NA (LOK THURAKIT SUPPLEMENT) 16 Mar] .....	37
IEA To Promote Shipbuilding [MATICHON 14 Mar] .....	38
Government Support Urged [BAN MUANG 20 Mar] .....	38

## VIETNAM

### POLITICAL

Some Guidelines for Party Congresses [HANOI MOI 4 Mar] .....	39
Article Favors Socialist Direction, Renovation [NHAN DAN 22 Mar] .....	40
Party Defended Against Charges of Dogmatism, Leftism [NHAN DAN 25 Mar] .....	41
Article Comments on 'Right,' 'Left' Lines [NHAN DAN 23 Mar] .....	43
Continued Transition to Socialism Supported [NHAN DAN 16 Mar] .....	44
Columnist Discusses Current Difficulties [QUAN DOI NHAN DAN 31 Mar] .....	46
Security Task Serving Renovation [NHAN DAN 27 Mar] .....	47
Party Targets Overseas Workers, Students [NHAN DAN 27 Mar] .....	49
Political Report Affirms Direction of Party [NHAN DAN 19 Mar] .....	50
Hanoi University, Economics College Hold Congresses [NHAN DAN 3 Apr] .....	52

### ECONOMIC

Official Comments on Marketing Cooperatives [NHAN DAN 15 Mar] .....	52
Relationship Between Planning, Market Viewed [SAIGON GIAI PHONG 12 Apr] .....	54
Confusion Seen in Implementation of Income Tax Law [SAIGON GIAI PHONG 11 Apr] .....	55

### SOCIAL

Smuggling Case Uncovered in Kien Giang [NHAN DAN 1 Apr] .....	56
---	----

### BIOGRAPHIC

Information on Personalities .....	57
------------------------------------	----

### **Report on Capture of KNU Camps by Military**

91SE0252A Rangoon *THE WORKING PEOPLE'S DAILY* in English 14 Apr 91 p 6

[Text] The Tatmadaw striving with might and main for the Non-disintegration of the Union, Non-disintegration of National Solidarity and Perpetuity of National Sovereignty captured camps of the KNU [Karen National Union] insurgents in the Hpaw Hta region about 12 miles south east of Papun and a camp which is close to and overlooking Manerplaw.

A mobilized force of more than 400 KNU insurgents of the No 4 column of No 20 battalion of KNU 7th brigade; central security company and Papun district administrative group have built strong forward camps of Manerplaw base camp which is the headquarters of the KNU in the Hpaw Hta region.

A tactical operation command and regimental columns under the forward No 66 Light Infantry Division started attacking the enemy camps in Hpaw Hta region beginning from 16 March with the support of artillery and air attacks and were able to capture the strongly built Point 2709 camp and Point 2336 the same day. Tatmadaw columns attacked and captured on 26 March the Point 4044 camp which is close to Manerplaw. The Tatmadaw columns attack and captured Tokaykyo camp on 28 March; the Kahikyo camp on 29 and Point 2017 camp on 30 March, the enemy in that region retreated to the Manerplaw camp.

In attacking and capturing the camps there were altogether 14 close engagements and one major battle. The Tatmadaw columns captured six major camps and four small camps in which 20 Tatmadawmen sacrificed their lives for the country and 79 were wounded. A total of 85 insurgents were captured dead, together with assorted arms and ammunitions.

Under the onslaught of the Tatmadaw's offensives the KNU insurgents are nearing their end. The people realizing that the KNU insurgents hindering the development of the Kayin State are joining hands with the Tatmadaw in annihilating them once and for all.

### **Development of Shan State Pa-O Region Discussed**

91SE0252B Rangoon *THE WORKING PEOPLE'S DAILY* in English 18 Apr 91 pp 12, 7

[Text] Yangon, 17 April—The Work Committee for the Development of Border Areas and National Races held a meeting today to discuss measures for bringing about development of Pa-O region. Chairman of the Work Committee for the Development of Border Areas and National Races Secretary-I of the State Law and Order Restoration Council [SLORC] Maj-Gen Khin Nyunt delivered an address at the meeting.

The meeting held at the office of the Commander-in-Chief (Army), was attended by responsible personnel

from the SLORC Chairman's Office, SLORC Office and the Office of the Work Committee for the Development of Border Areas and National Races and directors-general and managing directors and other responsible personnel of the departments and enterprises.

The SLORC Secretary-I in his opening address said, "We held discussions with a group headed by Pa-O national leader U Aung Khan Hti at Taunggyi to carry out activities for regional development.

"According to the report of the (PNO) [Pa-O National Organization] Pa-O national group, they took up arms against feudalism.

"Pa-O national leaders also said that they would achieve success only if they join hands with the SLORC and the Tatmadaw in bringing about development of Pa-O region and national peace.

"(PNO) Pa-O group headed by Pa-O national leader U Aung Khan Hti split away from the DAB [Democratic Allies of Burma] and NDF [National Democratic Front] insurgent groups and returned to legal fold. They then made a request to the SLORC to carry out regional development.

"Pa-O nationals are simple and hard-working. They are pious and put their words into deeds. They had been impressed with the development measures being taken by the SLORC and returned to legal fold.

"The majority of Pa-O nationals live at Inn area of Shan State and Mene mountain region. Development activities could not have been carried out in the area due to internal insurgency.

"The heads of department are to present long-term and short-term projects to be able to implement them within the shortest possible time."

Responsible personnel of the Office of the Work Committee for the Development of Border Areas and National Races, directors-general and managing directors then discussed measures for development of Pa-O region.

The Secretary-I then delivered the closing speech.

### **Officer Views 'Misconduct' in Government Firm**

BK2404170791 Rangoon Domestic Service in Burmese 1330 GMT 23 Apr 91

[Excerpts] On behalf of the National Intelligence Bureau, Colonel Than Tun, deputy director of the Defense Services Intelligence, called for discussions and warned the executive directors and member representatives of the No. 8 Joint Venture Corporation in connection with the misconduct of some executives of that corporation. The meeting was held in the No. 1 conference hall of the Trade Ministry at 1300 today. [passage omitted]

In his speech, Col. Than Tun said that although the No. 8 Joint Venture Corporation was formed with the aim of

exporting native medicines, the objective was never realized. In addition, it has come to the attention of the Directorate of the Defense Services Intelligence that without giving any explanation to the corporation members, some executives have each withdrawn 3-4 million kyat to trade in soybeans and sesame. The information was given to the National Intelligence Bureau for further investigation.

The No. 8 Joint Venture Corporation was formed under Trade Ministry Order No. 32/90, dated 30 November 1990, with the aim of exporting native medicines. The capital earmarked was 50 million kyat, of which the government's contribution was to be 15 million kyat and the public's, 35 million kyat. Today the corporation is operating on 48,940 shares, including the government's, all of which are worth a total of 28,023,500 kyat.

In investigating the activities of each executive, it was discovered that the joint managing director, U Tin Maung, had breached the regulations. The rules say that, when funds of up to 500,000 kyat are to be withdrawn, the withdrawal must be approved by two persons—the managing director or the joint managing director and the general manager or a chief accountant. If the withdrawal amount exceeds 500,000 kyat, approval must be obtained from one of the two government-appointed directors in addition to the above two. The rules also stipulate that the withdrawals must not be done frequently in a short period of time.

Despite these stipulations, U Tin Maung withdrew more than 12.2 million kyat—7.3 million kyat between 12 December 1990 and 17 January 1991, and 2.95 million kyat between 11 and 21 January 1991. In addition, U Tin Maung resold to the No. 8 Joint Venture Corporation at a profit Pe-ni-le yellow beans that his own company—Sonny Brothers International Limited—had bought. The company had purchased from the provinces yellow beans at a price of 1,350 kyat per 57 viss [1 viss equals about 3.6 pounds], and when the corporation needed some 100 tons, the beans were resold to the corporation at Yangon [Rangoon] prices—1,600 kyat per 60 viss. In addition, U Tin Maung had allowed his purchasing agent, Aye Ko of Sonny Brothers Limited, to use corporation funds to buy 300 tons of pedisein beans for the company and resold 480 tons of purchased beans

to the corporation at 1,600 kyat per 60 viss. The sale was worth a total of 6,646,576 kyat.

Moreover, when U Tin Maung was assigned to buy 150 tons of sesame for the No. 8 Joint Venture Corporation, he collected brown sesame in the provinces at a rate of 1,650 kyat per sack. Later, he resold about 155 tons of sesame—at 1,900 kyat per 45 viss of refined sesame and at 1,750 per 45 viss of ordinary sesame—to the corporation. The sale was worth about 3,837,351.90 kyat. [passage omitted on similar offenses by other executives]

Continuing, Col. Than Tun said the No.8 Joint Venture Corporation was formed with two government-appointed directors and seven directors representing the public. However, there had been no coordination among them. Inspection and supervision by the two government-appointed directors were also weak, and work done was not systematic and in accordance with the regulations. Reports were not presented about the work being done, and whatever was being done was done on the spur of the moment. Decisions were not taken at a meeting of the Board of Directors but were influenced by businessmen Directors U Tin Maung and U Kaykun Bargaran.

Hence, it is necessary to reelect qualified directors who do their jobs with good will, that government-appointed directors take greater control over the supervision of work being done, and that a watchdog body be formed to ensure conformity with regulations.

As man gains better privileges when given greater access to liberties, he tends to become corrupt for selfish reasons. If this case occurred, economic programs that were formerly aimed at benefiting the general public would only serve the interests of a handful of reactionary people, and the country would suffer losses. Since we want to avoid taking action only when such a situation arises, we have come to give an early warning as a precautionary measure before things get out of hand.

In conclusion, the No. 8 Joint Venture Corporation should carry out necessary restructuring of the corporation and find ways to benefit the state as well as the members of the corporation.

The meeting ended at 1330.

**COALITION GOVERNMENT OF  
DEMOCRATIC KAMPUCHEA**

**Commander Surrenders With Arms Cache in  
Pursat**

*BK0505132291 Phnom Penh Domestic Service  
in Cambodian 1300 GMT 4 May 91*

[Text] Five days after he surrendered (Chum Li), deputy  
commander of the 16th Battalion of Pol Pot's 5th

Division, led armed forces in Pursat Province to an  
enemy arms cache. The weapons recovered include a  
DK-82 gun and 50 shells, a B-40 launcher and 25 shells,  
two SK rifles, 48 B-41 rockets, 12 B-40.5 shells, 2,100  
rounds of AK ammunition, and 10 82-mm mortar shells.

(Chum Li) talked about the enemy's weakening and  
decline towards total disintegration. (Chum Li) surren-  
dered in Pursat Province on 21 April with 21 of his men.

**POLITICAL****Opinions on New Democracy Forum**

91SE0248A Jakarta TEMPO in Indonesian 13 Apr 91  
pp 24-26

[Text] The Democracy Forum, as it turns out, has attracted much attention from a number of people. A number of characterizations have accompanied its birth. Some support it. Some are confused. There are some, however, who say there is no need for a Democracy Forum a la Gus Dur [Abdurrahman Wahid]. Following are the reactions that a number of prominent figures expressed to TEMPO.

**Emha Ainun Nadjib, Cultural Observer**

The Democracy Forum (FD) is both good news and bad news. It is good news because the name is "forum." Many thousands of national development decisions have been made without passing through a "fair forum." Even better, the forum is for democracy, as well.

It is also bad news, however, because the formation of the FD is an implicit statement that existing institutions have not been democratic forums, thus requiring a separate institution that focuses on democratic ideals.

Logically, all institutions of our state and society should be democratic forums: executive institutions, the DPR [Parliament], and social organizations. Because in practice they apparently have not been so, Gus Dur and his colleagues felt it necessary to draw its own circle for the purpose.

Particularly with regard to Gus Dur, the implication is that the NU [Muslim Scholars League], the giant organization that he leads, is itself not able to be a democratic forum. According to my own intuition, Gus Dur would be more effective and have deeper roots if he did not have a forum for reflection and contemplation but instead resigned from his post as NU chief executive. If he were to do that, there would be a considerable shock, but that would provide very strategic momentum for speaking about democracy, inside and outside the NU.

Basically, I agree with Sayidina Ali bin Abi Thalib: "Note what is said, not who says it." Let the NU, Muhammadiyah, ICMI [Indonesian Association of Muslim Intellectuals], the Democracy Forum, the "Association of Cattle Traders," or the "Kedungpring Homeless Association," have their respective primordial status, but the important thing is what they do for Indonesia.

**Soerjadi, General Chairman of the Indonesian Democratic Party**

I think the forum is positive and good and demonstrates its sense of responsibility for problems. It is a part of national life. The motivation and the values that are the basis for the forum's creation are concerns of the Indonesian Democratic Party [PDI], too. The PDI is pleased

with it, because, although it is only a moral force, it adds strength for the growth and development of democratic life.

The existence of the forum does not mean that we are not democratic. What I understand from Gus Dur is that the forum's focus of attention is democracy and the life of the nation and the state. If democracy appears suddenly it cannot function properly. There are many things about our democracy that need improvement, for which the existence of this forum is very significant.

Our democracy is still in the maturation process. For example, government employees do not join political parties, although there are no rules against it. The people feel that they should not join parties, and government employees understand that feeling. We are not talking about rules, but about existing practice.

In my opinion, the forum's objective of eliminating sectarianism is a good one. Sectarianism is a new phenomenon that is contradictory to the goals of the 1928 Youth Oath. Sectarianism was produced by people who have no concept of nationhood. What Gus Dur is doing is reality.

The forum is different from the Democratic League that once existed. The league was a practical political move in which political forces combined to oppose the PKI [Indonesian Communist Party], whereas this forum is made up of individuals with moral strength.

Ultimately, the forum will be judged by its actions. If it is quiet and sleeps, what significance does it have? We will be able to judge its function only if it takes responsible and practical action. Considering the background of its participants, they will be able to promote life based on law, make political analyses, etc.

**Brigadier General Nurhadi, Chief of the Armed Forces Information Center**

The position of ABRI [Indonesian Armed Forces] is clear: A forum like this is not needed. If someone has ideas he wants to promote, let him join the existing organizations. If they are political ideas, he should join a political party. If his ideas involve science, let him join LIPI [Indonesian Science Institute], CSIS [Center for Strategic and International Studies], or other research groups. If his ideas are sociological, there are mass organizations.

The FD criticizes sectarian cliques, but they themselves are a clique. That is not right. That is strange. They even issued a press release. ABRI does not understand their objective. We heard about it only through the newspapers. From what I read in the papers, they want other people to understand their ideas. That means they want to shape public opinion, which means practical politics. But are there not political parties? They should just join existing groups.

A principle of democracy is acknowledgment of government, and a government has rules. One rule says that a

meeting of more than five people requires permission. We do not know if they obtained such permission. If their intentions are good, they will naturally follow all procedures. Do not talk about democracy if you do not have a democratic attitude.

We worry that everyone will be "yakking." Because the forum's participants are the experts, people who do not know what its objectives are will make all kinds of comments. That is dangerous. Our people have varied capacities. Some are intelligent. Others talk to be talking. News from the Middle East is an example. There could be confusion. If someone has an idea he wants to contribute for the good of the nation and the state, let him channel it through existing groups. The Department of Home Affairs regulates this through laws. If we want to live as a proper nation, we must comply with all the rules.

Our democracy is Pancasila democracy. We have but one loyalty: Pancasila and the 1945 Constitution. All political decisions are made through a representation system. The Department of Home Affairs should handle this matter. The creation of this organization was not needed.

**General Soemitro, Retired, Former Commander of the Command for the Restoration of Security and Order**

This forum is not dangerous. It is an express of dissatisfaction. I think Gus Dur wants the democratization process to be accelerated now that the PKI has been eliminated and many things have been accomplished.

We have had democratic institutions since 1965, but at first everything that smacked of politics was arranged from above. That was important for security, because the PKI and NASAKOM ["Nationalism, Religion, Communism," a Sukarno slogan] had to be eliminated. Conditions are normal now, and the democratization process should move from below.

The political organizations should feel challenged by this forum. The law on parties needs to be discussed again. Parties should not operate merely down to the regency level, but should reach to the villages so that the voice of the people can be heard. If not, the DPR will lose out to the community self-help groups, especially since the DPR has never used its right to take initiative. All programs have come down from the government.

Our current democracy is not yet normal. There is poverty of leadership, and many leaders do not dare to express their opinions merely because they are not given opportunity. The people need democracy, however, for ability can be achieved only through democracy. Because Indonesia is not a feudal society, only smart people can move up.

Thus, there is no reason to be suspicious of this forum, especially since its objective is clear: Do not let the old sickness afflict our national cadres.

**Marwah Daud, Director of the Indonesian Association of Muslim Intellectuals (ICMI)**

The creation of the FD is appropriate and necessary for the enrichment and diversification of political education in our country. In such a big and populous country, it is not possible for everything to come from above, from the government.

We must not be trapped by the view that everything that comes from outside the system is antisystem or in competition with the establishment. I think everyone has good will toward this republic, but there are all kinds of methods. It is important not to think that the system is merely the government; it encompasses the entire nation. In a number of ways, I think our democratic life has become quite good. For example, there are ideas about deregulation and debureaucratization. Things are not totally good, however. That is understandable, since democracy is basically a process in which each step must be better than the previous one.

Everyone must be involved in democracy and economic development. The government is not a Santa Claus who dispenses democracy. The existence of a forum like FD illustrates a desire for interaction with the government. I hope it will help us move toward the maturity we look for.

**Dr. Ichlasul Amal, Dean of the Sociology and Political Science Faculty of Gajah Mada University**

The emergence of the FD is a normal matter. In other words, it is a group where some people may meet and exchange ideas on democracy. It is not an organization. Because its members are only some leading people, however, the question arises, "What is this?"

From the aspect of democratic institutions in Indonesia, there are many things that should be done and are now taking place. Many democratic and political institutions are not involved in making decisions. Most decisions are made outside the democratic institutions. This means something is wrong. In other words, we can say that our present political institutions are not functioning very well. As a result, some people formed the FD. Thus, the forum is an indicator.

Because political institutions are not functioning very well, they are not responding well to problems in society. There are many examples, such as the Kedungombo problem. People were confused about where they should lodge complaints and how they could express their views. If political institutions were working, they would sense the aspirations of the people and absorb such aspirations into the political process before people complain or act. DPRD's [regional legislatures], for example, should not have to wait for people to report. They should sense what is needed, because that is part of the political and "bargaining" process in the DPRD's. If such institutions are not working, it is not entirely because of the quality of their personnel. There is also the aspect of the existing



structure, which does not allow an institution or its personnel to perform its function.

Such disparity cannot be bridged simply through formal political education like P-4 [Guidelines for the Implementation of Pancasila], for formal political education does not communicate extensively. It only involves understanding or perception of a formal ideology like Pancasila. Political education in the true sense is the a comprehensive socialization of politics, whether in the family or in the community. The formal is only a part.

Two things need to be done to bridge the obstacles to democracy in Indonesia. First, there needs to be development of a democratic political culture. The forum is one form of this. Thus, we must not see this as something strange or threatening. People, including officials, must realize this. Second, step by step we need to reevaluate our structure and regulations to determine the ones that hinder democratic activity. One concrete example is our permit regulations. Requests for permits have to come all the way to Jakarta. What is the use of government apparatus in the provinces? Are they not enough?

The government cannot do as it formerly did, when it professed ability to progress through oil and foreign aid without the participation of the community. All policies need community participation so that the community feels it has a role and responsibility in any problem. Thus, social solidarity is needed in such things as the uncertainty that has followed the fluctuation of the dollar. It used to be that solidarity meant mobilization. Now solidarity is a sense of responsibility among ourselves.

**Soetjipto Wirosardjono, Columnist and Deputy Chief of the Central Statistics Bureau**

I attended the meeting at Cibeureum for only one day. Because Gus Dur invited me, I went, just as I invited Gus Dur to attend the Wednesday Council. I went as a spokesman for the ICMI, and they accepted my point of view. In other words, everyone knows exactly what my position is, which is even an obsession.

If the forum does not entail obligation, and I am not busy, I will continue to attend. The forum is similar to the Wednesday Council. I invited them, and they came. Gus Dur himself said the forum is a kind of social gathering. He promised that it would not be a mass organization or a political party. If indeed that is the way it is, good.

If the purpose of the forum is to promote democracy for the sake of national unity, I will be happy to attend. My own position is consistent, as reflected in every article and statement of mine.

In my opinion, the FD's strength is in permitting differences of perception among those who attend. Its name is "Democracy Forum." Hence, it would be very funny if it tried to create a unified opinion on democracy. Let opinions on democracy be plural.

The birth of a forum with the theme of democracy, be it the Democratic League or such like, shows that democracy continues to be an interesting subject of discussion, particularly for citizens who care about the issue of nationhood. I hope the existence of the forum will have a share in raising the quality of democracy in Indonesia.

**Aswab Mahasin, Director of the Body for Research, Study, and Development of Social Issues**

I want to attend the FD, because, among other reasons, the relationship is a relaxed one. It consists of people who have the same concern: democratization. Membership is not strict. In my opinion, suspicion is a sickness. In other words, if we want democracy, we must eliminate suspicion of this forum, the ICMI, and other groups. Constant suspicion and defensiveness tend toward tension.

The FD is clearly different from the Democratic League, which opposed Sukarno, and the Constitutional Awareness Group of the Petition of 50. The people in the Democratic League, for example, were from political parties, and it was more political in that it opposed Sukarno's concepts. The FD, however, is more for the expression of public opinion and cultural and intellectual views.

The FD also does not have an obvious opponent, for it does not want to be called anti-Suharto. The function of the forum is to present ideas and public opinion. It feels that will be accomplished if the ideas are accepted in many circles. The forum should not be seen as an opponent of the ICMI.

**Roekmini Soedjono, Member of DPR Commission II Representing the ABRI Faction**

We should not be surprised. There are forums everywhere: discussion forums, dialogue forums, and so on. As for me, I am not prejudiced, especially since this is Gus Dur's idea. If a person does not understand it, he should ask Gus Dur directly. It will then be understood. In evaluating anything, I always take the constitutional system point of view.

I do not see the FD as something strange. It is possible, however, that not everyone understands its purpose and objective. In a democratic country like Indonesia, it is logical that there will be differing opinions and viewpoints. I can understand the position of executives, however. The minister of home affairs, for example, finds the forum difficult to grasp from the aspect of law. That is because we are so inflexible.

Because the FD is still within the framework of a system, there is no problem. The point is, if everything is still within the system of the 1945 Constitution, there is no need to question it. I am confident that Gus Dur wants to strengthen the system, and not the contrary. Thus, if the mechanism is right and it strengthens the system, there is no problem, regardless of who is in it.

What Gus Dur and his colleagues are doing is expressing an idea which has developed in a society that is now open. This is appropriate. We need to observe their follow-up actions to see whether the substance of their dialogue moves outside the system. We must note if they move outside the system, of course; but I am confident that they are wise people.

**Imron Rosyadi, Former Secretary of the Democratic League**

KAMI [Indonesian College Students Action Front] formed the Democratic League to put pressure on the Sukarno government to hold the second election after the DPR chosen in the first election was dissolved. That was its only objective. Therefore, the Democratic League cannot be equated with the FD. The situation is different. DPR members are now chosen in general elections. I do not yet know what the forum's objective is. If its objective is to give content to democracy, that should be done through the DPR. The role of the DPR must be enhanced. If the DPR comes to a stalemate, the result would be a "street DPR," as in the past. For example, demonstrations are not permitted by the government. I observe that conditions in Indonesia are now very secure and quiet. Although I admit there are still many shortcomings, they can be resolved through the DPR.

I do not say the FD is not necessary, for I do not know what its mechanism is. Is it merely a symposium or a kind of forum for exchanging ideas? If so, how will it channel those ideas? That is what I would like to ask.

**Ridwan Saidi, Political Observer and Former General Chairman of the Islamic College Students Association**

In my view, the FD is the same as the ICMI: It emphasizes organization more than spirit. I do not join organizational movements, but spiritual ones. Since they have formed an organization, they have to deal with structure. As a result, their intellectual energy is wasted. That is what I regret.

The implementation of democracy is actually the concern of us all. As many people as possible should participate. In their efforts in the FD, why do they have to take an organizational approach? It should be spiritual, an expression of feeling.

That is what I regret. They are not calm enough in their reactions to conditions, and they are emotionally affected. In my opinion, they are repeating the same mistakes. I fear the forum will be merely a "martyr," as was the Democratic League of Kiai Ahmad Dahlan's day.

**Rachmat Witoelar, Secretary General of the GOLKAR Central Executive Council**

Why the concern? Democracy still needs to be developed. It is not the duty of the political parties and GOLKAR [Functional Group], or of the government alone, but of everyone. If people want to promote

democracy through discussion, let them do it, as long as they do not depart from the principles of Pancasila Democracy.

Moreover, the FD is not the first forum like this to be formed. In GOLKAR there are discussion forums on eight subjects, with memberships of 600 people. We pioneered that a year and a half ago. Their work revolves around efforts to improve democracy. The results of their discussions are taken up in GOLKAR leadership meetings.

Now, if the purpose of the FD is to give content to democracy, they are welcome to do it. If they want to eliminate "primordialism," and enhance the national spirit, I agree. Let them go ahead. We have no prejudices.

**Yusuf Syakir, Deputy Secretary General of the Development Unity Party Central Executive Council**

The FD makes the government's position difficult, because those who affixed their signatures appear to feel that democracy is not functioning properly. If the government gives its blessing to this group, that means the government recognizes it. On the other hand, if the government does not bless it but puts pressure on it, the consequences will be even worse. It is becoming clearer that our democracy—including the way sociopolitical organizations play their role—is not functioning normally.

The emergence of the FD is related to democracy and sectarianism, the two main issues in the discussions at Cibeureum. If these are its issues, the FD should have existed at the beginning of the 1980's, before the 1978 MPR [People's Consultative Council] General Assembly, for example. Why was the FD created when democracy in this country is beginning to improve? I consider the formation of the FD as an indication that politics will heat up before the 1993 General Assembly.

**Analysis of Youth Role in 1992 Election**

91SE0249A Jakarta *SUARA KARYA* in Indonesian  
19 Apr 91 pp 5, 9

[Article by Joko J. Prihatmoko, observer of sociopolitical issues and student of French and French literature at the Teacher Training Institute, Semarang: "Position of Young People in 1992 Election"]

[Text] If there is ever to be a time when young people will receive attention, it will be in the 1992 general election. Not only are they expected to be active in the election—meaning that they will not be attracted by the GOLPUT ["white group," i.e., nonvoters]—but they will be an indicator of the success of political development over the last 20 years. Young people now are superior, in both quality and numbers, to those of previous generations.

For the OPP's [election participant organizations], the numbers and high educational level of young people are automatically useful in establishing a "political elite" of

potential leaders. The young will be an important factor in the activities of each OPP. The larger the youth vote is in the election, the better the prospect will be for continuity of national internal political development and for the activities of the three OPP's. Naturally, we assume that young people will either vote as a group or distribute their votes among the three OPP's.

The purpose of this article is to analyze possibilities for the youth vote in the 1992 general election and to make predictions. Therefore, it is relevant for us to ask some questions: What is the position of young people in the structure of the OPP organizations? Which cities will be the main arenas for efforts to net young voters? What should be the position of young people in the election, and how should they participate? What approaches will the OPP's possibly make? And what are the political prospects for young people after the 1992 election?

### General Views

In the opinion of Panebianco (1988), a party is an organization that is formed because of similar political objectives, aspirations, and perceptions among its members. As an organization, a party has long-, medium-, and short-term goals that are mutually supportive. Continuity must be accompanied by a natural process of transition from one generation to another, and no OPP is prevented from having such a process. Each OPP must be ready with new, young personnel to ensure momentum toward the achievement of its ultimate objective. This ultimate objective is the force that drives efforts toward the goals mentioned above. Therefore, the process of recruitment, whether of voters or leaders, is very important to the permanence of an OPP.

The involvement of an OPP in the political process is dependent on the popularity of the ideas it tries to sell to the public. The more people who "buy" them, the more popular the OPP will be. The ideas an OPP offers (in the form of programs) are a crystallization of the concerns of the community. Therefore, an OPP's popularity will depend on its ability to bring together and articulate those concerns.

Actions to absorb the community's current aspirations must be adapted to the era. These efforts need new personnel to replace the old, for the older ones always have their limitations. Thus, the OPP's need a regeneration of party members and voters. By absorbing young workers, it is hoped that current information (as a basis for programs) can be obtained. This will enable the OPP's to win the affiliation and votes of young people, especially through mass mobilization (campaigns in the streets).

It is clear, then, that young people (as potential voters and OPP members) are much needed in the 1992 election. The problem is that the political involvement of our young people is hindered by several characteristics of the Indonesian political culture: political pluralism, pockets of politics based on class, strong pressure groups (college students and certain other groups), and interest

groups (IDI [Indonesia Doctors Association], KOWANI [Indonesian Women's Congress]) that often seek their own interests to the detriment of public interest.

Therefore, it is understandable that young people do not see many opportunities in politics. They see their position as nothing more than a "pawn of political development." Thus, it is not surprising that, according to KOMPAS research, most young people (66.7 percent) are not attracted to the world of politics. Their reasons: no time (32.1 percent); nothing to be gained (11.1 percent); parties do not accommodate their aspirations (10.8 percent); and very afraid of politics (10.2 percent). (KOMPAS, 19 May 1985)

Without minimizing the role of the government in political development, these figures say that the three OPP's have never given much weight to the position of young people. The OPP's ask them to speak only at election time. They are not invited to take part in deciding political development issues, either in dialogue or in organizational ways.

In my opinion, this will be avoided in the 1992 election, however. Outside the political framework, which adheres to a "double dealing system," the position of young people is being given serious attention because national leadership succession and the take-off phase of national development are approaching.

### Some Estimates

Besides marking the beginning of the development take-off era, the 1992 election also signals the existence of an inevitable regeneration process. This means that the role of young people is needed, so that the dynamics of the development of the nation and the state are not patterned after the thinking of the older generation. As we know, each generation brings differing missions and visions. Capable young people who look far into the future are needed for gathering up-to-date information from the community.

I am confident that the three OPP's see this as urgent for the 1992 election, because young people (young voters) make up 39.67 percent of the population and 59 percent of all voters. In fact, if figures are averaged for each province, young people constitute 64.35 percent of the voters.

According to figures projected by the Department of Home Affairs, the three areas with the largest percentages of young people are Jakarta, Irian Jaya, and East Kalimantan. The area where the population is relatively balanced is Yogyakarta. (See table.)

Young Voters in 1987 and 1992 Elections

Election Year	Number of Voters (Millions of People)	Young Voters		First-Time Voters	
		Total	%	Total	%
1987	90.43	23.5	30.50	11.7	49.75
1992	110	61	59.00	19.0	31.67

Distribution of Young Voters in the 1992 Election

Province	Young Voters		Older Voters	
	Total	%	Total	%
Aceh	1,227,691	65.04	659,884	34.96
North Sumatra	3,756,670	64.79	2,041,794	35.21
West Sumatra	1,354,493	59.19	933,951	40.81
Riau	1,081,746	65.82	561,649	34.18
Jambi	812,059	69.44	357,395	30.56
South Sumatra	2,284,770	66.33	1,159,782	33.67
Bengkulu	402,860	63.63	230,220	36.37
Lampung	2,751,532	64.92	1,486,918	35.08
Jakarta	4,731,334	75.83	1,507,788	24.17
West Java	13,309,616	63.73	7,573,278	36.27
Yogyakarta	1,158,646	54.08	984,002	45.92
Central Java	10,263,535	58.17	7,380,442	41.83
East Java	12,805,140	58.86	8,948,443	41.14
West Kalimantan	1,195,678	67.79	568,237	32.21
Central Kalimantan	461,870	57.27	344,607	42.73
South Kalimantan	966,117	65.20	515,681	34.80
East Kalimantan	811,463	74.62	275,928	25.38
North Sulawesi	1,010,046	64.44	357,407	35.56
Central Sulawesi	647,225	66.80	321,655	32.20
South Sulawesi	2,512,164	60.25	1,857,364	39.75
Southeast Sulawesi	453,885	65.03	244,090	34.87
Bali	1,098,945	59.60	745,060	40.40
West Nusa Tenggara	1,148,293	64.42	634,192	35.58
East Nusa Tenggara	1,124,231	57.99	814,313	42.01
Maluku	623,011	62.99	366,039	37.01
Irian Jaya	665,077	74.09	233,628	25.91
East Timor	267,951	67.10	131,407	32.90

Source: Department of Home Affairs Projections, 1990

I think the three OPP's also see this. They are now making their preparations to net as many youth votes as possible. Looking at the data, it is certain that Jakarta, Irian Jaya, and East Kalimantan will be big campaign arenas. Naturally, they will differ from Yogyakarta. Guruh Sukarno Putra's recent statement in Solo that he will support the PDI [Indonesian Democratic Party] in the 1992 election is a step to recruit as many young people as possible, especially in Jakarta and other big cities. Besides being the son of the late President

Sukarno, Guruh is also known as a serious artist. This means that Guruh's taking sides will possibly attract young voters to the polls.

Guruh's approach is really nothing new. GOLKAR [Functional Group] did the same thing in the 1987 election when it drew many artists to act as campaigners, and the PPP [Development Unity Party] did it in 1982 when it recruited Rhoma Irama and Soneta to take part in the campaign. In view of this approach to young

people, the question is not about an alternative ideology (for Pancasila has become the sole basis) but about the relevance, representativeness, and seriousness of the OPP's in conducting the programs they offer.

### Must Take a Position

Assuming that politics will always adhere to the "double dealing system," which is identical to opportunism, I believe that the role of young people will still be marginal after the 1992 election. Although consideration is being given to the status and distribution of the youth vote, in quantity and quality, in the 1992 election, the potential of young people will not be significant if their political attitudes remain unclear. The characteristics of Indonesian political culture, as mentioned earlier, strengthen my conviction that the political position of young people will remain marginal.

In order to disprove my predictions, young people need to do several things to ensure that their political position is always considered. First, young people must show political maturity. As an indicator of this, they must select an OPP and urge it to put into its programs things that are inherent to the comprehensive advancement of Indonesian human resources. In other words, in what ways can young people give alternatives to the three OPP's so that their programs will improve the lives of the people and limit the existing disparities?

Second, if the first step is not possible, young people must select an OPP whose programs are truly relevant to the life of the community in general and to the lives of young people in particular. Because the liberty to make promises is legally recognized, young people must be realistic in looking at the programs of the three OPP's in the 1992 election.

The first alternative reflects the great idealism of young people. The second reflects a more pragmatic approach. Perhaps a balance between the two alternatives can be achieved, making a third alternative.

The things I have mentioned are what I mean by maturity and clarity of political attitude on the part of young people. All of that may be done without acting individually, which would give the impression of divisions in the political aspirations of the young. They should collectively urge such programs through youth organizations like the KNPI (Indonesian National Youth Committee).

Young people can exercise collective pressure through organizations only if there is coordination, consolidation, and communication among the members of smaller youth organizations, such as the GMNI [Indonesian National College Students Movement], AMPI [Indonesian Renewal Youth Organization], HMI [Islamic College Students Association], and Ansor Youth. Whether all of this can be implemented depends on how young people view their potential and position in the political life of the community. Their viewpoint will also spread to the general public.

## Reportage on Nonvoting Youths

### Politics of Nonvoters

91SE0250A Jakarta EDITOR in Indonesian 13 Apr 91  
p 11

[Text] GOLPUT ["white group"] is a phenomenon that is probably unique to our political system. Some people feel that such a group that refuses to vote is afflicted with a "disease."

Its roots may be far-reaching. Those in power are weary or pained—or whatever else—in dealing with "a contentious political attitude." Years of facing conflict have caused those in power to fear the emergence of an extreme political attitude.

Indeed, the fact that Indonesia's political system is no longer devoting itself to quenching political fires is an important step forward. On the one hand, the era of tension between consensus and conflict is over. Little remains of the centrifugal force, the tendency to leave the center. On the other hand, the political system faces a new challenge of no less complexity: As political participation grows and aspirations expand, how is political stability maintained? Is the existing political structure able to accommodate the demands of rising political participation?

It is clear that reaching compromise is not easy, especially in a political culture that suffers from the effects of many quarrels. Reaching compromise, however, is one of the main functions of politics.

The problem is this: How do we acknowledge the differences and complexities in a political system? There are agreements. There are concessions. But there are also people who choose not to accept any offer in the market of politics.

GOLPUT, therefore, must be viewed as a symbol, a symbol that there are members of the community who publicly criticize democracy. It is a part of the long political education process for our citizens.

The ballot box is not the ultimate goal of political participation. The ballot box may be full and produce "majority rule." There are many who mark their ballots as an indication of political participation, but the possibility exists that this merely represents the results of mobilization. From that perspective, at least, we must look at GOLPUT.

At the beginning (1971), GOLPUT was a moral movement. It was a movement created by leaders with very great political awareness. At that time, the program was one of trying to guarantee that everyone who wanted to vote would have the liberty to vote for anyone without coercion in any form. Likewise, if a person did not want to vote, his liberty not to vote was to be protected. In the words of the founders themselves, GOLPUT was not a political but a cultural grouping.

For that reason, GOLPUT does not need political recognition. Unfortunately, however, the consequences are greater than intended, for GOLPUT suddenly emerges prior to every election as though it were dominant, as though it were a competing party. There have been four elections during the New Order era, and a large number of votes have always been cast. The governing party has won with a majority of the votes. Why, then, is the political system increasingly sensitive to GOLPUT?

There are many reasons, of course. Established power naturally tends toward keeping down internal tension. More than that, however, established power is usually "allergic" to possible shifts in political support, despite the fact that an election is an arena for determining the governing party. An election is a place of legal competition in which shifts in power are born. An election has to do with the legality of power.

It is the fate of every political system to face support and challenges that keep changing. An election is an arena for seeking the legitimization of support, or for being rejected. Participation should therefore be egalitarian.

An election is a market. It is a place where the contestants are the vendors and the people have the power. As buyers, they are free to choose. They must also be free not to buy.

The market of politics, it seems, is much more complicated than the ordinary market, where there are all kinds of objectives. The political market relates to the legitimization of power.

Therefore, like it or not, GOLPUT is an "interference," particularly for those who have experienced excessive satisfaction with the "ruling class." Increasingly astute people demand cleaner and more sophisticated political operations and are more diligent in public criticism of democracy.

Demand for freer and more open political participation will certainly grow even greater in the future. Without a greater capacity on the part of the political system, however, an excessive level of participation could cripple the system. It could bring complete repression—rotten from within.

Politics is an art, indeed, but democracy is not improvisation.

#### **Voters, Youths, '4th Party'**

91SE0250A Jakarta EDITOR in Indonesian 13 Apr 91  
pp 12-16

[Text] As the 1992 general election approaches, people are not talking only about the votes the PPP [Development Unity Party], GOLKAR [Functional Group], and the PDI [Indonesian Democratic Party] will get. They are also talking excitedly about the chances of the "fourth party." By the time voting takes place, will the

number of followers of the "party" symbolized by a pentagon on a white background have increased or declined?

The white group (GOLPUT) is spotlighted once every five years, as the general election draws near. The present is no exception. This time, however, the spotlight on those who refuse to vote comes quite early, a year before the 1992 election. It is interesting that this time the emergence of GOLPUT in the world of political discussion is not because there are people who are conducting actions or "campaigns"—as when it first appeared in 1971. The voices now raising the GOLPUT issue are those of government officials. Why? Is the "white disease" expected to spread even more widely in the next election?

In mid-December of last year, President Suharto called on all citizens with the right to vote to use that right in the 1992 election so that there will be no "white group." The head of state judged that the use of the right to vote is also important to the upholding of our unitary state and to the continuity of national development. "Active participation in the election is a duty in the implementation of Pancasila democracy," Pak Harto [President Suharto] declared.

The president made this statement at Freedom Palace when Minister of Information Harmoko reported to him that his department had begun information operations to create political awareness among the people as they face the 1992 election. It is hoped that this effort will keep down the number of GOLPUT followers.

The term "GOLPUT" first became known in the 1971 election campaign, the first election of the New Order era. At that time, several youth leaders conducted moral actions to ensure that every voter had the liberty to vote for anyone without coercion. This included the freedom not to vote. Although not as vigorously as in the 1971 election, the white group also cast its shadow over subsequent elections, each with varying intensity.

The term "GOLPUT" then came to be used routinely for people who do not exercise their right to vote. Some people also say that invalid ballots are also categorized as GOLPUT. What is clear is that in the four elections of President Suharto's administration, more than 90 percent of voters have cast their ballots. From election to election, however, the absolute numbers of GOLPUT (nonvoters and invalid ballots) have risen steadily. GOLPUT in the 1987 election (8,155,843 people) were almost twice as many as in the 1971 election (4,858,667 people). (See table "Numbers of GOLPUT in Indonesian Elections.") Who are the "followers" of the "white party"?

The minister of home affairs believes that GOLPUT sympathizers are few and limited to the cities. "Sometimes there are groups of intellectuals who have all kinds of thoughts and take that road (GOLPUT). Members of the public, however, understand the purpose of elections; their political awareness is great," he said.

Intellectuals choose GOLPUT, in Rudini's view, because they are dissatisfied with present conditions. The purpose of GOLPUT supporters is to improve the system; but to improve something, the home minister said, they should participate so that they can elect a representative in the MPR [People's Consultative Council]. "What we want will not be achieved by the GOLPUT method," Rudini said.

PANGAB [Armed Forces Commander] General Try Sutrisno said that people who declare that they will not vote in the next election are actually not GOLPUT but are individuals outside the system. "Pancasila culture, which is founded on the family principle, does not recognize GOLPUT, which is outside the system," Gen Try said.

There are several prominent figures who disagree with the PANGAB's statement. According to some sources, the right to associate and to express opinion is guaranteed in the 1945 Constitution. In other words, among the varieties of opinion the position of not voting must be respected. Many people ask, therefore, what the PANGAB meant by the words "individuals outside the system."

"There is a basis for what the PANGAB said in the Pancasila democracy system," explained Brigadier General Nurhadi, chief of the Information Center at ABRI [Indonesian Armed Forces] Headquarters. In a democratic system, there is an election law; and in the election law there is no provision for a group like that (GOLPUT). The law provides for the election of representatives to operate our democratic system. Those who do not cast ballots will have no representation. "That is what is meant by individuals outside the system," Nurhadi said. "That does not mean they are outside Pancasila or the 1945 Constitution. Nor does it mean they are assumed to be PKI [Indonesian Communist Party]," the information center chief declared.

The white group provokes many comments. Coordinating Minister for Politics and Security evaluates them as irresponsible people. "People who follow GOLPUT have no conviction. They neglect their rights as citizens," said Lieutenant General Harsudiono Hartas, chief of Sociopolitical Affairs Staff. Meanwhile, GOLKAR DPP [Central Executive Council] Chairman Wahono says that GOLPUT is the result of inadequate public political awareness. Is that true?

"I am fed up with politics. I don't want to play politics any more," said former Jakarta Governor Ali Sadikin, who plans not to vote in the next election. "I will join GOLPUT in 1992," said Washudi, 26, a press activist in the Literature Faculty of UNDIP [Diponegoro University], Semarang. Among his reasons for this is the current political system, which he feels merely makes a "pet" of one contestant.

"Most GOLPUT followers are highly educated people. They have broad knowledge about good political systems," said Amir Santoso, a political expert from the UI

[University of Indonesia]. Most are young; they include young intellectuals, professionals, and university students.

It was for that reason that, when the minister of home affairs spoke to participants in the national-level P-4 [Pancasila Indoctrination] and Upgrading and Youth Leadership Training at Cibubur at the end of January, he called on young people not to follow GOLPUT. "Young people should not follow GOLPUT in the next election, for that would mean taking no responsibility for the fate of the nation and state," he emphasized.

The next election will be a special one. It will be the fifth celebration of democracy since the New Order came to power more than a quarter century ago. And young people will be dominant among voters in this election, which will have a budget of 119.8 billion rupiah. Of the 113.9 million people with the right to vote, more than half (about 61 million people) will be between 17 and 39 years of age.

They can be called a generation produced by the New Order. The oldest were only 12 years old at the time of the G-30-S/PKI [30 September Movement/Indonesian Communist Party] in 1965 and were not fully aware of the tumultuous political conditions during the era of Bung Karno's [President Sukarno's] supremacy. There are almost 45 million voters who are truly of the New Order generation (born in 1965 and later).

This means that of the 400 DPR [Parliament] seats to be contested, 123 (more than 30 percent) are expected to come from the 61 million young voters. (One DPR seat corresponds to 500,000 votes.) Of the 123 seats, 90 will be contributed by the generation born in 1965 and later. Thus, the influence of these young people is quite large. It will be interesting, therefore, to look at the political attitudes and participation of this generation, which has lived under a political system that included the "floating masses" and the banning of practical politics from college campuses.

A poll taken by Dr. Riswanda and a number of UGM [Gajah Mada University] students is interesting. Of 613 respondents from big cities, GOLKAR still remains popular (38.2 percent). The PDI had 19.08 percent and the PPP 16.8 percent. Those who said they were GOLPUT were quite numerous: 25.3 percent.

These results were similar to a poll taken by EDITOR in August 1989 on the political aspirations of young people in metropolitan Jakarta. Of 972 respondents, 47.2 percent chose GOLKAR; the PDI, 24.0 percent; the PPP, 16.8 percent; and GOLPUT, 12 percent.

From the results of these polls, it can be said that young people produced by New Order political education are at two extremes: GOLKAR and GOLPUT. What does this indicate?

According to Dr. Riswanda's analysis of the poll, most young people in the city (74.55 percent) feel that political decisions are not their responsibility. They lean toward GOLPUT, because they say that there is no action that will change the situation.

"They are people who have had many frustrations. Since they have understandings and feelings, their situation can be called an intellectual matter," said Arbi Sanit, political expert from the UI. There are two factors in the frustrations that makes them choose not to vote, Amir Santoso said.

First, they are suspicious of the present election system—as though there is something dishonest about it. "There are also some who are fed up with the present political system. They are fed up with GOLKAR's constant victories," said Amir. In the words of Mochtar Mas'ood, the reason for the emergence of GOLPUT is an awareness that "political efficacy" is at a low level. "They voted but simply went through the motions," said the PhD graduate of Ohio University.

In short, people are fed up with the routine; they want a new atmosphere. People need refreshing and dynamics. "Therefore, political changes are needed," he added. How can these changes be made?

The heart of the problem is "whether or not citizens have equal opportunity to form alliances and groups and to use freedom of speech." This is the opinion of Anwar Haryono, of the Petition of 50. The freedom to form alliances accommodates any aspirations that may emerge. Under present conditions, the existing sociopolitical organizations are not considered capable of accommodating the aspirations that develop. According to other sources, the mushrooming of LSM's [community self-help groups] can be seen as an indicator of the variety of aspirations that are emerging in society without any vessel for accommodating them. Therefore, is a new party needed?

Two opinion polls conducted by EDITOR in 1990 revealed that urban young people have an interesting and consistent aspiration, which is the desire for a new party. In the first poll, taken in mid-August 1990, 26.76 percent of 71 respondents from the middle class (minimum income of more than 1 million rupiah and at least an undergraduate degree) wanted a new party.

In the second poll, made in early September 1990, respondents came from a greater variety of groups. Of 131 respondents (executives, DPR members, young people), 25.9 percent wanted more than three parties.

"I believe three parties are enough. Based on past experience, we do not need to be multiparty," said Minister of State and State Secretary Murdiono. A multiparty situation will not be better, he said. If some form a new party, "I expect that it will become merely an arena for fighting over its leadership posts."

Minister of Home Affairs Rudini believes that the present sociopolitical forces are in agreement with law. "If a person is not satisfied and wants to change the national consensus, he must do it constitutionally. If he wants to change the present pattern, let him vote so that he can speak constitutionally. Be logical," Rudini said.

There will be no changes in law for the 1992 election. Therefore, Amir Santoso predicts that the number of GOLPUT will be greater in the election, which is just 400 days away. "They will still be less than 5 percent," he said. This will be much greater than the 1-3 percent in past elections, however.

As for viewing GOLPUT as an indicator, Amir said, "I consider political development to be unsuccessful. I see a greater reluctance to vote." He also said, "It will be dangerous if GOLPUT is permitted to grow, because that would mean a declining public legitimation of power. It could even mean that power is not recognized at all."

Mochtar Mas'ood said, therefore, "Although voting and not voting have the same effect, I would rather vote. I will vote for the sociopolitical organization that I think can bring about change." Is there such an organization?

### Profile of Nonvoters

91SE0250A Jakarta EDITOR in Indonesian 13 Apr 91  
p 16

[Text] GOLPUT has become a popular subject in serious discussions of our political scene. No agreement about GOLPUT is yet to be found in the comments of officials or the analysis of experts, however. Who are they? Why have they become GOLPUT? Are they in villages or cities? What are their characteristics, etc.? All these questions keep us groping: What kind of animal is GOLPUT?

Quoting Professor Miriam Budihardjo, Dr. Riswanda Imawan feels GOLPUT is the number of invalid ballots plus the number of nonvoters. Therefore, as can be seen in the table, the size of GOLPUT in absolute numbers grows from election to election.

**GOLPUT in Indonesian Elections**

Election Year	Total Votes	Invalid Ballots		Nonvoters		GOLPUT	
		Total	%	Total	%	Total	%
1971	58,558,776	2,878,920	4.92	1,979,747	3.38	4,858,667	8.30
1977	70,670,153	4,949,880	7.00	2,430,526	3.44	7,380,406	10.44
1982	82,002,545	3,040,445	3.71	4,005,728	4.88	7,046,173	8.59
1987	93,965,953	4,533,177	4.83	3,622,560	3.85	8,155,843	8.68

Source: Processed from LPU-DAGRI [General Election Board-Department of Home Affairs] Data



Dr. Amir Santoso, lecturer at the UI FISIPOL [Sociology and Political Science Faculty], tends to feel that GOLPUT is made up only of nonvoters. In that case, their percentage in the 1987 election dropped by 1.03 percent from the 1982 election.

Dr. Arief Budiman and Dr. Mochtar Mas'oed are not able to give details as to who these people are and what they are like. Arief can cite only two categories of GOLPUT: pure and accidental. "The pure are those who, with full awareness, choose not to vote, whereas the accidental are those who truly do not understand and those who are hindered in some way.

Just how many people are in the political community called GOLPUT? "We actually do not know just how many voters do not use their right to vote or what their characteristics are," Dr. Mochtar Mas'oed said.

His position is unlike that of Hari Soegiman, director general for sociopolitical affairs, who feels competent to enter the big GOLPUT discussion. Although the term "GOLPUT" has entered the political vocabulary, it is not recognized in Indonesian political life, he said.

Thus, the figures in the table in the "Nonvoter" column mean the people who do not use their right to vote for specific reasons. According to the director general, there are at least seven categories of reasons. First, death. Second, serious illness. Third, certain kinds of conduct that result in loss of the right to vote. Fourth, humanitarian and travel reasons. Fifth, change of address without good documentation. Sixth, improper balloting, damaged ballots, and so forth. Seventh, unclear reasons for not voting.

The director general objects to any analysis that claims GOLPUT is made up of nonvoters and invalid ballots. People who say they are dissatisfied or disagree with the government naturally fall under the seventh category. "You can't put dead or sick people in that category," asserted Hari Soegiman.

Then who are they? "They are people with headaches and toothaches," joked PANGAB Try Sutrisno.

#### Attitudes of Nonvoters

91SE0250A Jakarta EDITOR in Indonesian 13 Apr 91  
pp 17-20

[Text] The future belongs to the young. This political slogan will soon become reality for Indonesia. In the 1992 election, now just 400 days away, voting will be dominated by young people, that is, those between 17 and 39 years of age. Young people will cast an average of 64.35 percent of the vote in regencies through Indonesia. Older voters, those 40 and over, will have 36.72 percent.

Besides their large numbers, these young people possess interesting characteristics. Most of them never directly experienced the hurly-burly of political conflict during the eras of liberal democracy or guided democracy. Their experience has been dominated by an obsession to catch

up in the economic and technological sectors. They consider politics to be something dirty, repulsive, and altogether evil. Many villagers in Yogyakarta have quickly branded politics as identical to the PKI. As a result, passivity toward politics has emerged among members of the community. An excessive emphasis on economic and technological development has exacerbated passivity toward political activity.

From one aspect, this public passivity toward politics is very beneficial, for the public can be more easily mobilized for national development purposes. On the other hand, such passivity is harmful, for the public does not become involved in "agenda setting." As a result, the public often feels that development objectives formulated by the government are not appropriate. In other words, if we want development that is more consistent with the desires of the people, the people must be included in the political process. The main part of the political process is the general election, in which the people can bring up the important issues that they want to be addressed by policy.

Voting is the right of the individual. Whether or not he uses that right is up to him. Niemi and Weisberg (1983) point out, however, that the voting attitudes of a person are influenced by issues and candidates as well as by the person's party affiliation. The nature of the affiliation is determined by the extent of the socialization he has experienced. According to Fiorina's observations (1986), a party's candidate can make a previously affiliated person unwilling to vote in an election. It may be that a person who intended to vote for GOLKAR may vote for a different OPP [election participant organization] if GOLKAR's candidate does not satisfy his taste. Why does this happen?

The public is increasingly critical, meaning that people will not necessarily believe everything they hear. This critical attitude is a fruit of the rising level of education, which in turn is a result of economic development (Laswell, 1962). At this point, there are two contradictory theses. First, economic development will improve a person's welfare, thus enabling him to participate more. Second, economic development also produces "rational voters," who may then be unwilling to participate.

Hirschman (1970) substantiated the second effect, finding that people feel that making a political choice makes the future uncertain. Hirschman found that people in an industrial society are unwilling to be involved in politics. Although they actually are critical of developments, they find it difficult not to vote for the party to which their bosses belong. They know that contracts received by their company are related to the political affiliations of their bosses. If they feel intimidated, the safest road is to refrain from using their right to vote, in other words, GOLPUT.

Using this framework of thought, let us look at the opinions we gathered recently in a cooperative effort with UGM FISIPOL students.

Table 1 shows the pattern of political activities of young people. Most (68.03 percent) are not interested in taking part in politics. It can be seen that most youths in residential areas are more indifferent to political issues than those in industrial regions. Overall, 31.97 percent [as published] are attracted by political activities. Most join mass organizations [ORMAS] and community self-help groups [LSM]. The interesting thing here is that young people in residential areas are more active in ORMAS and LSM groups than those in industrial regions. Why? Because those in industrial regions are somewhat more bound to the companies for whom they work.

**Table 1. Political Activities**

Activity	Industrial Areas	Residential Areas	Totals
	(percent)		
ORMAS	4.89	11.10	15.99
OPP	2.61	7.50	10.11
LSM	4.89	9.30	14.19
None	20.34	47.63	68.03

Where, then, will young people channel their creativity if not through groups involved in practical politics? Table 2 shows that they are more attracted to social action. Only 11.75 percent of the sample said they did not participate in any social action at all, whereas 88.25 percent said they participate in the activities of social groups (other than LSM). Most (35.07 percent) found religious groups the most popular. Student and art/sports groups are about equally popular. While Table 1 shows that young people in residential areas are indifferent to political activity, Table 2 confirms that youths in those areas are more interested in religious activity. Why? Because religion offers a refreshment that is hard to find in political activity.

**Table 2. Social Action of Young People**

Activity	Industrial Areas	Residential Areas	Totals
	(percent)		
Religious groups	10.60	24.47	35.07
Student groups	3.91	22.35	26.26
Art/sports	7.34	19.58	26.92
None	2.88	8.87	11.75

Although reluctant to be involved directly in political activities, all respondents realize that the votes of young people in the 1992 election will determine the outcome. We asked them: "For whom will you vote in the 1992 election?" Table 3 shows that GOLKAR is still popular with young people (38.82 percent), whereas the PDI—which has always been pictured as the young people's party—is supported by only 19.08 percent. Although this is greater than the percentage of young people choosing

the PPP (16.80 percent), these two OPP's (PDI and PPP) are not as popular as the GOLPUT choice (25.30 percent). In other words, it appears that young people tend to choose GOLKAR or become GOLPUT.

**Table 3. Leaning Toward Voting for Whom in 1992?**

OPP	Industrial Areas	Residential Areas	Totals
	(percent)		
PPP	6.03	10.77	16.80
GOLKAR	11.91	26.91	38.82
PDI	6.20	12.88	19.08
None	5.71	19.59	25.30

An interesting picture is obtained when their preferences are related to the occupations of their parents. This study encompassed the children of government employees (33.11 percent), of private business employees (13.38 percent), of entrepreneurs (24.46 percent), of ABRI members (8.48 percent), of farmers (14.84 percent), and of laborers (5.73 percent). Cross tabulation shows that among children of government employees political preference varies between GOLKAR and the PDI. The children of private company employees and some entrepreneurs tend to choose GOLKAR. The children of some entrepreneurs, farmers, and ABRI members tend to prefer the PPP. The children of laborers prefer the PDI.

There is an interesting thing here. It has always been assumed that the children of private-sector employees, who economically are not very dependent on the government will choose the PPP or PDI. It has also been assumed that the children of ABRI members will tend to vote for GOLKAR. The result of this research, however, changes these long-held assumptions. The children of ABRI members tend to choose the PPP, while the children of private sector employees tend to choose GOLKAR.

Why do young people have such political attitudes? Table 4 shows that most of them (74.55 percent) feel that making political decisions is not their responsibility. What is interesting is that most of these are in residential areas. These data agree with Table 1, which shows that young people in these areas do not want to take part in political activities (68.03 percent). A monotonous political situation and the dominance of GOLKAR are not popular excuses among young people. They tend to prefer GOLKAR because, in their perception, there are no activities that can change the situation. It would be interesting to study whether monotonous conditions and GOLKAR dominance have produced this perception of things. Further research is needed. At present, however, we detect an inconsistency between the perception of important political issues by young people and their perception of OPP response to these issues. (See Table 5.)

Table 4. Reasons for Not Voting

Reason	Industrial Areas	Residential Areas	Totals
	(Percent)		
Politics are monotonous	1.64	6.52	8.16
GOLKAR is too dominant	0.16	3.26	3.42
Nothing changes	2.61	11.26	13.87
Not my responsibility	13.55	61.00	74.55

Table 5 shows that young people are interested in three political issues: even distribution of income, participation in the political process, and the regeneration of leadership. Young people feel, however, that the three OPP's do not give responses that are compatible with their aspirations. The main issues to which the OPP's are giving attention are globalization, the role of conglomerates, and even distribution of income. It can be seen that there is one issue (even distribution of income) that is acceptable, but it has a different ranking.

Table 5. Differing Perceptions of the Ranking of Political Issues

Issues	Ranking by Young People	Ranking in OPP Responses
Even distribution of income	1	3
Job opportunities	4	5
Participation in the political process	2	6
Regeneration of leadership	3	4
Role of conglomerates	5	2
Globalization	6	1
Other	7	7

Let us turn now to the framework of thought that we are using. Is there a GOLPUT in Indonesia? The opinions we have gathered show that a tendency toward GOLPUT does in fact exist among young Indonesian voters. The virus of political indifference among young people springs from a perception that their actions will not bring any change at all. Such a perception has emerged among the young.

The demands of young people that they participate in the process of making important political decisions cannot be ignored by any of the OPP's in the 1992 election. One key to success for one of the OPP's will be to put young people on the list and give prominence to Guruh [son of late President Sukarno]. According to data of the type in Table 2, Guruh is not active in religious groups; but he is very active in artistic groups, a category selected by 26.92 percent of respondents. Even if the PPP does not

explicitly emphasize young leaders, it can use young leaders who have been active in religious groups, which is the most popular of the social groupings. GOLKAR has also begun to promise that 50 percent of parliamentary seats will be held by young people.

This opinion poll shows that young people in residential areas are freer in making political choices than those who live in industrial areas. Why? Because the voting habits of those who live in industrial regions are easier to control. Take for example the heated debate that once took place over whether election day will be a holiday. Even now, the OPP's with an interest in mobilizing employees oppose the idea, since voting in the work place makes "internal control" over employees more effective, preventing them from "going different ways."

### GOLKAR Official Supports Fair Elections

91SE0254A Jakarta SUARA KARYA in Indonesian  
20 Apr 91 p 1

[Text] Jakarta, SUARA KARYA—As one of the OPP's (election participant organizations) in the next election, GOLKAR [Functional Group] has a target for a certain number of votes. GOLKAR will not authorize just any method for reaching that target, however.

"Because GOLKAR executives are all Pancasila-oriented people, they will not authorize just any method," Agus Tagor, chief of publication and mass media affairs for the GOLKAR DPP [Central Executive Council], said in Jakarta yesterday. He said a target is necessary for any struggle so that a person may have a hopeful outlook for the future. A person must have hope for the future, Agus Tagor said. If he has hope, he will fight. "If not, life is the same as death," he asserted.

Declaring that GOLKAR will not authorize just any method, Agus Tagor said that the several elections conducted during the New Order era have all been LUBER (direct, public, free, and secret). He said he is troubled that there are still OPP's that claim the elections have not been LUBER or JURDIL [honest and fair].

In Agus Tagor's opinion, the elections will always be LUBER. An election is *direct* if each person with a right to vote can participate directly. It is *public* if there are no limitations. A person is *free* to vote for whom he wishes, and his choice is *secret*. This means that the election is *honest*, in that it accomplishes what the person intends, and is *fair*, that is, in compliance with existing regulations.

Agus Tagor said the government, which includes ABRI [Indonesian Armed Forces] as implementer and referee of elections, certainly does not want an election that is not LUBER and JURDIL. "Those participating in the PPI [Indonesian Election Committee] and the PAN-WASLAK (Implementation Supervisory Committee) will perform their duties in the best possible way, for

they are under oath. Because the job entrusted to them is a glorious one, it is impossible that they will act improperly," Agus Tagor said.

With regard to rumors that elections are not LUBER or JURDIL, Agus Tagor asked, "If an OPP has facts to support its charges, why did it not present the facts directly to ABRI, which is a member of the PAN-WASLAK?" He is confident that if anyone can provide facts that show an election is not LUBER or JURDIL, ABRI will be certain to act to uphold democracy.

### **Environmental Group Plans National Boycott**

91SE0254B Jakarta *BISNIS INDONESIA*  
in Indonesian 22 Apr 91 p 16

[Text] Jakarta (BISNIS)—The Indonesian Environmental Association (WALHI) is planning a national boycott of products that pollute the environment.

WALHI said in a press release yesterday that boycotts are an exercise of consumer rights and a form of social control that have not been used effectively by consumers in developing countries.

According to WALHI, the boycott will be conducted as a short-term effort in connection with Earth Day on 22 April and World Environment Day on 5 June and in recognition of the fact that consumers have the right to choose products they like, including products that support a clean environment.

The purpose of the effort is to ensure that more attention is given to the public's right to a healthy environment through democratic decisionmaking on environmental management and on development and industrial projects.

The statement also said that other short-term efforts are to include investigations of HPH [forest exploitation concessionaire] conduct toward forests and communities in Sumatra, Kalimantan, Irian Jaya, and Sulawesi.

WALHI will also publicize the risks of a PLTN [nuclear electric power plant] through discussions of Chernobyl casualties and PLTN hazards. The discussions are to take place on 26 April. It is also holding a PLTN cartoon contest and conducting an opinion poll on whether a PLTN is needed in Indonesia.

In a long-term effort over the next two years, WALHI will be focusing its programs on improving the community's awareness of the environmental management rights guaranteed by Law No. 4 of 1982.

## **ECONOMIC**

### **Agreement Reached on Promoting Trade With Algeria**

BK2404040891 Jakarta *ANTARA* in English 0306 GMT  
24 Apr 91

[Text] Jakarta, April 24 (OANA-ANTARA)—Secretary General of the Algerian Foreign Ministry Hocine Djoudi and Algerian Ambassador to Indonesia Abdelhak Bererhi have reached an agreement with the Indonesian Chamber of Commerce and Industry (Kadin) for the promotion of trade relations between Indonesia with that North African country. The balance of trade between Algeria and Indonesia has so far been in favour of the latter, Sudrajat D.P., chairman of Kadin's Middle East Committee, told newsmen after a meeting with the Algerian officials here Tuesday.

The effort to promote the bilateral trade ties will be started by increasing the exchange of visits, especially between businessmen of the two countries.

As parts of the efforts to [words indistinct], the two sides also agreed to cooperate in making breakthroughs in penetrating the single European market to be set up next year.

Concerning the deficit Algeria has sustained in trade with Indonesia, Sudrajat said most of commodities offered by that Northern African state are available in Indonesia.

He disclosed that Indonesia's exports to and imports from Algeria in 1990 were worth 34.7 million U.S. dollars and 9,000 U.S. dollars respectively, a considerable surplus for Indonesia.

The surplus Indonesia recorded in trade with Algeria last year mostly [words indistinct] supplies of wood products and coffee.

Indonesia has so far been importing phosphate products from Algeria to be reexported Europe and Brazil

During the current visit here, Hocine Djoudi has also offered Algeria's agricultural commodities to Indonesia.

### **Cloves Board Gets State, Bank Support on Prices**

91SE0247A Jakarta *TEMPO* in Indonesian  
13 Apr 91 p 90

[Text] Cloves apparently are to become a commodity second only to rice. Do you believe it? No fewer than five ministries, Bank Indonesia, two government banks, and a consortium of private businesses are involved in protecting the farmer-level price of cloves. This involvement could be seen in a coordination meeting on the cloves issue that took place at the Ministry of Trade on Friday of last week [5 April].

The meeting, which lasted about three hours, was led by Minister of Trade Arifin Siregar. He was accompanied

by Soedrajad Djiwandono, junior minister of trade. Also present were Kumhal Djamal, director general for domestic trade; Susanto Sahardjo of the Ministry of Agriculture, director general for miscellaneous industries; Rachmat Subiaprada, director general for estates; Soebiakto Tjakrawerdya of the Ministry of Cooperatives, director general for business development; and Soerono Soehardjono of the Ministry of Finance, director for food financing. The presence of Kamardiy Arief, BRI [Indonesian People's Bank] principal director; and BBD [Bank Bumi Daya] principal director Surasa strengthened the impression that the subject under discussion was extremely important.

Other participants were three BPPC [Cloves Support and Marketing Board] managers: Hutomo (Tommy) Mandala Putera (chairman), Tony Herdianto (managing chairman), and Jance Worotican (secretary general). Two days earlier, the three BPPC managers had reported to Central Bank Governor Adrianus Mooy. It can be assumed, of course, that they talked about credit for cloves.

This was confirmed by BPPC Secretary General Jance Worotican, who said that they learned in the meeting with Governor Mooy that Bank Indonesia has allocated 359 billion rupiah for clove-buying operations during the 1991 harvest season. This liquid credit will be channeled through BRI and BBD to KUD's [village unit cooperatives] appointed as BPPC agents.

In compliance with a January 1990 ruling by the minister of finance, Bank Indonesia will be responsible for only 75 percent (269 billion rupiah), and the implementing bank must contribute 25 percent (90 billion rupiah). Following the KUT [farm credit] pattern, the interest rate will be 17 percent annually.

Is this aid needed? Is the BPPC not a consortium made up of a BUMN [state-owned business enterprise] (Kerta Negara), KUD's, and five big-capital businesses? "The five private businesses handling the funds have their limitations," Jance said. Tommy, who is BPPC chairman, acknowledged in an interview with TEMPO on Tuesday of last week [2 April] that the BPPC now has stocks of about 85,000 tons. If the average price is only 4,000 rupiah, 340 billion rupiah in BPPC funds are tied up.

"If just 30,000 tons are sold, the proceeds could be recycled to buy cloves from farmers," Tommy said. Clove cigarette factories, the main cloves consumers, still do not want to buy. "They have been saying their stocks are adequate; we cannot force them to buy," Tommy said with a knowing smile.

As this year's harvest season approaches, the BPPC needs funds for additional purchases. Because of limited

liquidity among banks, however, the BPPC has asked for special funds from the Ministry of Finance.

Tommy said frankly that they had actually asked for 800 billion rupiah. "That sum was based on the assumption that there will be no sales at all. If the factories make purchases, we will not need to ask Bank Indonesia for help," the BPPC chairman said. Will more loans from Brunei be needed? "We are still studying the matter. I have not gone there yet—perhaps after the holidays," Tommy continued.

What did they discuss at the Ministry of Trade? "The minister asked for a report on cloves marketing developments," said Director General Kumhal Djamal, who is also chairman of the National Cloves Board. They talked about preparations involving the BPPC, KUD's, and funding and about evaluations of reports from regional offices. Participants in the meeting were not overly concerned about the falling prices of cloves. According to the director general, the remains of the 1990 harvest are believed to be in the hands of traders or in the possession of factory owners but not yet shipped to other islands. "Cloves in the hands of traders can be called the property of the farmers, who will be the ones to scream. That is hard to detect, however," said Director General Kumhal.

He added that stocks could be shipped between islands or bought by clove cigarette factories only until 31 March. Beginning 1 April, stocks not reported by traders to regional Ministry of Trade offices are required to be sold to KUD's for handling by the BPPC. Of course, priority is given to purchases from farmers. "The purpose of cloves marketing is to help farmers," he said.

What about the readiness of KUD's? According to the director general for business development of cooperatives, KUD's have now made purchases. "Earlier, they had not done so, but BRI credit has now come through," said Director General Soebiakto. In Aceh, 16 KUD's have bought 1,000 tons. In Central Sulawesi, there are 100 tons. All KUD purchases total 1,500 tons. "KUD's in Central Sulawesi are paying only 5,500 rupiah to farmers, but that is merely a down payment. When the BPPC buys the cloves, the remaining amount will be paid to the farmers. This was an initiative by the Tolitoli regent," Soebiakto added.

Tommy added that the BPPC is now preparing to set up regional representation. DOLOG (the Logistics Depot of BULOG [Logistics Bureau]) has been appointed for Java. "They meet our requirements in that they have their own warehouses, good funding, and adequate experience with cloves," the chairman said. The same requirements apply to other regions, but the BPPC must select from many interested parties. "We will announce it later," Jance said.

## POLITICAL

### Analysis of Malay Politics in Kelantan

91SE0246A Kuala Lumpur WATAN in Malay  
23 Apr 91 p 9

[Article by Dr. Hussein Mohamed under the "Current Issues" rubric: "Kelantan Politics: Spirit of '46 Misfortune"]

[Text] Whether it is true that more than 2,000 UMNO [United Malays National Organization] religion teachers and preachers were "fired" by the PAS [Pan-Malaysian Islamic Party] government or whether the allegation is just political, clearly these low-level positions have become an important issue in the state's politics.

This is probably the newest of issues among UMNO [United Malays National Organization], PAS, and the Spirit of '46 in current Kelantan politics.

The reaction of the Kelantan deputy chief minister, who said that PAS had never dismissed the semipolitical officials of UMNO, can be accepted as truth. PAS has a good basis for exonerating itself from the issue. Moreover, Haji Abdul Halim Abd. Rahman said that the dismissals and layoffs were made by state UMNO leaders themselves as a purge of those who had stabbed fellow UMNO members in the back in the 1990 election.

Clearly, the most interesting thing is that the issue puts UMNO and the Spirit of '46 in a totally unsatisfactory situation. If Deputy Chief Minister Haji Abd. Halim's statement is true, the situation is quite regrettable, for UMNO leaders are charged with an act of "hiding the hand that throws the rock." Their dirty tricks cannot be hidden, however.

Whatever one's evaluation may be, there is one fact in this matter that is hard to deny: If what PAS alleges is true and accurate, the effort to restore UMNO influence in Kelantan has been hampered and made more difficult. This is true because there are UMNO people themselves who are uncertain and frustrated because of the slander that UMNO members are hurling at each other.

There is nothing UMNO can gain from a situation like this. In fact, PAS is the one that has most to gain. PAS has done nothing drastic to "upset the rice bowls" of these people or make it possible for PAS to be charged with harsh or cruel acts contradictory to the PAS struggle to uphold truth and restrain ungodliness.

The most unfortunate is the Spirit of '46, because one of their objectives has been to replace these UMNO pseudopolitical officials. The Spirit of '46 claims these officials supported UMNO in the preelection political crisis.

In fact, Spirit of '46 people have openly boycotted houses of worship and mosques headed by local UMNO supporters and leaders.

If indeed the PAS government has done nothing to replace these officials after almost half a year in power, Spirit of '46 people should be the most frustrated.

PAS people are also frustrated over the situation. They were trained, however, in a political culture that is not greedy nor always confrontational toward those who are defeated and who "surrender."

PAS people know that many who were their enemies are "ashamed to admit defeat" but will one day face reality and will "keep their mouths closed" rather than continue to hate and openly oppose the PAS struggle.

On the other hand, as soon as UMNO took power in the 1978 election, hundreds of prayer leaders and village chiefs throughout Kelantan were dismissed. As a party promoting Islamic brotherhood, however, PAS would have been very stupid to conduct such dismissals hastily on the basis of political sentiment alone. If PAS were going to do it, it would have done as UMNO once did.

What is more likely is that PAS would have reoriented these officials to PAS politics. Or it would have conducted a rescreening to find out if there were religion officials who were incompetent and lacking in religious knowledge but who were given jobs simply because they were strong UMNO supporters.

Thus, whether PAS acted out of unwillingness to add to its enemies by dismissing these people or whether it indeed wanted to be friends with them, knowing that a number of them were sympathetic with PAS's own struggle, PAS operated on the basis of its long-term political policy.

Even Tengku Razaleigh Hamzah admitted that Kelantan belongs to PAS rather than to the Spirit of '46.

Noting Tengku Razaleigh's opinion, we must acknowledge the truth of statements made by some Spirit of '46 leaders that an Islamic Unity Movement [Angkatan] coalition government does not exist in Kelantan.

In their opinion, there is a PAS-led state government that has three Spirit of '46 representatives in its leadership to fulfill the "understanding" and cooperation established in the name of Angkatan before the election.

At the same time, this apparently enhances relations between Spirit of '46 people and PAS leaders. This is especially true of state legislators who were not selected for seats on the State Working Council, or EXCO [Executive Council], despite their feelings that their ages and political experience are much greater than those of other Spirit of '46 legislators chosen to be EXCO members.

That experience was not enough, however. The lack of political experience on the part of new Spirit of '46 people appointed to the EXCO illustrates the overall need for a new generation of leaders in UMNO and in the Spirit of '46 itself in Kelantan.

The more fortunate Spirit of '46 legislators can be "shaped and formed" and can adjust to the tastes of the PAS government. In fact, they consider this an important strategy that they hope will maintain Spirit of '46 political influence over the long term.

At the same time, this situation demonstrates a reluctance among Spirit of '46 leaders in Kelantan to give priority to previous leaders once active in UMNO in the assignment of EXCO seats in the current PAS-led government. The reason for this is a feeling that it would be harder for them to follow the lead of PAS, which has 24 seats in the State Legislature.

In addition, some of them have a bad political record, and voters feel that the politics of some is no longer worth anything.

Despite the rising public dislike for UMNO just before the 1990 election, some of these leaders were nominated again because they felt they were still able to take the big risk of losing the election. If they were to lose, they had already enjoyed power and political standing. They felt they were mature enough to face the risk of losing the election.

Unfortunately, they won. There is an "emptiness" in their victory, however. They feel pressured, restricted, and isolated from all the amenities they once enjoyed, such as AP [expansion not given] permits, VIP licenses and services, and many other things once connected with their victories.

Because this conflict is probably the experience of many Spirit of '46 leaders and legislators, some are not patient and are leaving the party.

### **Pinang Spirit of '46 Official Expected To Rejoin UMNO**

*91SE0245B Kuala Lumpur WATAN in Malay  
25 Apr 91 p 7*

[Text] Pulau Pinang—The founding president of Pulau Pinang Spirit of '46, Datuk Haji Yusuff, is expected to return to UMNO [United Malays National Organization] soon.

Sources say that Datuk Haji Yusuff will probably join UMNO's Jelutong Division, which he headed before the original UMNO was banned.

When the original UMNO was banned, several division committee members and their supporters formed the Jelutong Division of the Spirit of '46.

He did not join that division, however, but headed the Tanjung Division after being elected at its first conference.

Datuk Haji Yusuff has also been a senior assistant to Tengku Razaleigh.

Meanwhile, UMNO's Jelutong Division, headed by Senator Rashid Ismail, reportedly has given its blessing to Datuk Haji Yusuff's reconciliation with UMNO.

It has also been learned that several branches in that division have approved exceptions that will permit Datuk Haji Yusuff to be a branch president.

Hassan Bakar, president of the Kampung Rawana UMNO Branch, is willing to resign so that Datuk Haji Yusuff can take his position.

There were excited reports of Datuk Haji Yusuff's return to UMNO after he held a breaking-of-the-fast meeting where he welcomed many prominent UMNO figures, including division presidents.

The meeting reportedly was for the purpose of reestablishing his ties of friendship with UMNO people.

Even more convincing was his failure to greet Tengku Razaleigh Hamzah at Bayan Lepas International Airport upon his recent visit here.

He merely sent his personal automobile to get Tengku Razaleigh.

His chauffeur reportedly told Tengku Razaleigh that Datuk Haji Yusuff was sick and had been admitted to a private hospital.

### **Former Malacca Spirit of '46 Official To Join UMNO**

*91SE0245A Kuala Lumpur WATAN in Malay  
25 Apr 91 p 1*

[Text] Malacca—The former state Spirit of '46 liaison chairman, Datuk Wira Ahmad Nordin Amin, is expected to join UMNO [United Malays National Organization] in May.

State Spirit of '46 Information President Rahman Anang confirmed the truth of rumors that Datuk Wira Ahmad Nordin has been interested in rejoining UMNO since his failure to keep the Sungai Udang state legislative seat in last October's election.

"We have been aware of the change in Datuk Wira Ahmad Nordin's position and have not hindered him," he told WATAN recently.

Rahman, who is also Spirit of '46 information president for the city of Malacca, rejected the charge that Datuk Wira Ahmad Nordin's joining UMNO will weaken the activities of the party.

He said the state Spirit of '46 still has a team of influential leaders and will absolutely not be moved from its struggle.

The chairmanship is now held by state Spirit of '46 Deputy President Aris Konel.

When asked further about the status of Datuk Wira Ahmad Nordin, Rahman acknowledged that he had

received information about several meetings between Datuk Wira Ahmad Nordin and leaders of the Batu Berendam Division of UMNO.

"They have also met with several Spirit of '46 leaders at the division level," he added.

WATAN was unsuccessful, however, in contacting Datuk Wira Ahmad Nordin for a statement about the reports that he will be joining UMNO in May.

Meanwhile, Rahman gave his full support to Party President Tengku Razaleigh Hamzah's decision to stay in the Spirit of '46 despite the departure of most MKT [expansion not given] members to join UMNO.

## ECONOMIC

### **Sogo, Pernas Agree To Build Joint Project**

*OW0705112191 Tokyo KYODO in English 0843 GMT  
7 May 91*

[Text] Kuala Lumpur, May 7 KYODO—Sogo Co., Japan's major department store operator, and a Malaysian Government investment arm, Pernas, signed a joint venture agreement Tuesday on an eight-year, 1 billion

ringgit (365 million U.S. dollar) project to build a commercial complex in Kuala Lumpur.

The complex, to be built in three phases, will have a Sogo department store, a monorail terminal, a 75-story office and residential tower, and a 515-room five-star hotel, the partners said. The complex will be located on a 12,000-square-meter tract of land.

The 400 million ringgit first phase starting this fall calls for the 10-story department store to open in early 1994 as an anchor tenant along with the terminal of a monorail planned by Kuala Lumpur.

The project will be undertaken by a joint venture, Pernas Sogo Sdn. Bhd., 70 percent owned by Sogo and 30 percent by a Pernas subsidiary, Pernas Properties Sdn. Bhd., in cooperation with the Malaysian capital's city hall.

The Kuala Lumpur store, Sogo's seventh abroad, will have a total floor space of some 58,000 square meters, the company's largest in Southeast Asia, surpassing its 35,000-square-meter Taipei store, a Sogo official said.

Sogo also has two stores in Bangkok, and one each in Hong Kong, Singapore, and Jakarta, in addition to a supermarket in Penang, Malaysia.



**Presidential Candidates View 1992 Elections**

91SE0223B Manila WE FORUM in Tagalog  
22-28 Mar 91 p 12

[Text] The Filipinos are pleased with the agreement of the different leading candidates about having clean, free, and fair 1992 elections.

The leading opposing candidates meet frequently and their primary topic, for the first time, is a discussion of how to hold elections without the guns, rewards, and bribery that have marked all elections in the Philippines since World War II.

The different presidential aspirants who have been discussing friendly and clean elections are Salvador Laurel, Juan Ponce Enrile, Ramon Mitra, Joseph Estrada, Jovito Salonga, Fidel Ramos, Aquilino Pimentel, Miriam Defensor Santiago, Eduardo Cojuangco, and Ernesto Maceda.

Two new names have been added to the list, and these are Oscar Orbos and Richard Gordon, who will be invited to the next meeting headed by Laurel.

The first concrete evidence showing that they desire to have free elections is the fact that they signed a memorandum to President Aquino asking the commission on elections to assign to specific slots all those on the list submitted to Malacanang by Laurel in his capacity as the leader of a united opposition.

The political watchdogs were amazed that pro-administration candidates Mitra and Ramos are leaning to the proposal of having an opposition member in the Comelec [Commission on Elections], something which the Malacanang advisers disapprove of vehemently.

In the meetings of the presidential candidates, they have always emphasized the raising of the [ethical] level of the campaigning by getting rid of dirty tactics and avoiding the use of violence and brutality to confuse and threaten the voters.

President Aquino is in a very tricky situation in approving the group's recommendations because the proposals embody a huge political spectrum that includes her own united majority party. She has also been constantly reminded of her wish to have clean and fair 1992 elections, and of her promise to cooperate with everybody on whatever means are necessary to achieve this goal.

She has clearly indicated her intention not to run for reelection. Instead, she wants to play an active role in the private sector in order to help her successor achieve progress in the realms of politics and the economy in the years to come.

The presidential candidates have also studied other ways and means of achieving clean elections, like having a crisis-coordinating council which the group headed by Laurel will submit to Malacanang and to Congress for further study and implementation.

It runs as follows:

1. Party representations in various boards of elections must be present.
2. Copies of election results and of canvassing certificates from offices that count the election results must be given to the majority party and to the minority opposition party.
3. The approved party representatives must be allowed to put water marks on official ballots, election returns and certificates of canvass.
4. Any action that prevents the election watchers from performing their duties is to be considered as an election infraction.
5. The very best effort will be made to limit election expenses.
6. The commissioners of the Comelec will be prohibited from being assigned to other branches of the government, including government-owned corporations, after their retirement.

**Danding Cojuangco Revises Stance on Local Autonomy**

91SE0253C Cebu City SUN STAR in English 8 Apr 91  
pp 1, 2

[Text] Businessman Eduardo "Danding" Cojuangco Jr. began showing more enthusiasm for local autonomy but said a "strong central government is critical in assuring its success."

In a press statement to local media outlets, Cojuangco tried to clarify his stance on decentralization, which he had made in a speech before Rotary Clubs in Cebu City last March 26, and which drew stiff criticism here.

The opposition leader, in an attempt to revise a controversial portion of his speech, said he told Rotarians "I have always believed in delegation of authority and decentralization" as seen in his management style in operating his successful businesses.

Local mediamen covering Cojuangco's speech at the Rotary Club dinner, however, said what the businessman actually said was the opposite by describing the fight for local autonomy as the wrong direction to take at this time.

Cojuangco, whose speech was printed in full by SUN STAR DAILY a few days after, said "I realize there is a clamor for strong local autonomy, federalism and even secession here in the south. I do not believe that this is the direction that we should take at this time."

He went on to call for a stronger central government, saying the present Government was a "weak parent." He said "political autonomy will not be a magic formula" to solve the country's problems.

Cojuanco's remarks were later criticized by pro-autonomy advocates Cebu Gov. Emilo R. Osmena and Cebu City Mayor Tomas R. Osmena as tantamount to a call for a "dictatorship" like that of the Marcos regime.

The press statement issued later by the Cojuanco camp through lawyer Gabriel Villareal appeared to be an attempt at damage control for the presidential aspirant.

According to the press statement, "Cojuanco said if he is chosen by the Partido Pilipino to run for president in 1992 and wins, he will promote local autonomy."

Similar statements projecting a pro-autonomy stance by Cojuanco were contained in the press release and made to appear, although was nowhere found in his original speech before Cebu Rotarians.

The same press statement, datelined Cebu City, was sent to various Metro Manila dailies.

It said Cojuanco believed more authority should be given local governments and that power should not be centralized in Malacanang.

The businessman was also quoted as saying it is "unfair to tie the hands" of local leaders and that the next president should spend less time in Malacanang and hold office in various provinces to keep in touch with the masses.

Earlier Cojuanco addressed a multi-sectoral dialog at the Sacred Heart Center, where he criticized the Aquino administration as gone "out of hand." He was introduced to the crowd by former Cebu Gov. Eduardo Gullas, president of the University of the Visayas.

#### Police Arrest YOU Leader

91SE0223A Manila DIYARYO FILIPINO in Tagalog  
2 Apr 91 pp 1, 2

[Article by Fer Taboy and Johnny Arasga]

[Text] Yesterday, in Cagayan, a leader of the Young Officer's Union (YOU), with a reward of a half million pesos offered for his arrest, was caught after visiting his relatives during the Holy Week celebration.

Director General Cesar Nazareno, of the Philippine National Police (PNP) identified the arrested leader as the former Marine captain Juancho Sabban, one of the known organizers of YOU and the leader of the failed coup d'etat attempt in December 1989.

Sabban, a member of the class of 1978 of the Philippine Military Academy, was cornered by the men of the regional Command II while he was biking near his relative's house at 1500 in Tuguegarao. A .45-caliber pistol was confiscated from him.

Confronted by demonstrators at Camp Crame, Sabban, with raised hands screamed out, saying the following: "For the country!"

According to military records, Sabban has been identified as one of the leaders of the rebel soldiers who revolted at Villamor Air Base and at Camp Aguinaldo in the very intense encounters during the attempted coup d'etat in December.

Nazareno stated that this rebel leader had formerly been assigned to the Narcotics Command (NARCOM) before his transfer to the 4th Marine Battalion formerly headed by Lieutenant Colonel Romelino Gojo, the over-all leader of the rebellious marines who participated in the failed coup d'etat.

Meanwhile, yesterday nine officers and 181 enlisted personnel of the 56th and 68th Infantry Battalions of the 7th Infantry Division of the Philippine Army (PA) have been acquitted of charges of having participated in the attempted coup d'etat in December 1989.

The acquitted officers are: Lieutenant Colonel Levy Zamora, 1st Lieutenants Pablo Angeles, Benjamin A. Legaspi, Francisco Delfin, Guillermo Cabtic, Roger Mijares, and Marceliano Tolentino, and 2d Lieutenants Oscar Brito and Armando Escoto.

These officers were implicated in the rebellion while on their way to Sangley Point in Cavite from their camps in Palayan City, Nueva Ecija, and Limay, Bataan, and they were supposed to act as reinforcements for the rebellious soldiers.

However, the Special Investigating Committee of the Armed Forces of the Philippines (AFP) have proved that these acquitted officers have not been involved in any confrontation with the government troops in the Manila area and at Sangley Point.

#### Widespread NPA Clashes With Military

91SE0223D Manila DIYARYO FILIPINO in Tagalog  
28 Mar 91 pp 1, 2

[Article by F. Taboy, J. Arasga, N. Ramirez, E. Damien and M. Valdez]

[Text] Even as the 22d anniversary of the New People's Army [NPA] is fast approaching (29 March), there have been widespread clashes between the military and the rebels throughout the archipelago.

The military reported that 17 NPA's were killed, three lost in the line of battle, and two were seriously wounded in five separate encounters since last Sunday.

Other related reports:

Lieutenant General Rodolfo Biazon, head of the Commission of the Armed Forces of the Philippines [AFP], announced yesterday that the military will not be on "Red Alert" during the Holy Week celebration.

He stated that there isn't sufficient reason to put the over 180,000 men of the different branches of the AFP on "Red Alert."

Two days ago, the Commission on Human Rights began a three-day investigation of the reported deaths of many children in Marag Valley, Cagayan, supposedly due to the continuing military operation there.

According to the Under Secretary Silvestre Bello III of the Department of Justice, their fact-finding team will go to Marag despite warnings from the military that the place is dangerous.

The newly organized group "Food for All Children" (FFAC) called on the government to actively participate in investigating the situation of hundreds of ethnic families in Marag.

Joey Pareja, spokesman of the FFAC, accused the government thus: "The government is the root cause of the indiscriminate military operations in Marag. It is the cause of hunger, loss of homes, and death in that place."

Director General Cesar Nazareno of the Philippine National Police (PNP) announced that seven guerrillas were killed in the victorious PNP offensive last Sunday in Barangay Sinigpit, Paniqui, Tarlac.

Nazareno also reported that, in Quirino Province, two of the 30 NPA's involved in a clash with the military in Barangay San Dionisio, Mandela, were killed.

No dead or wounded had been reported on the government side.

According to the authorities, Inspector Enrico Buguia and an unidentified man of his were seriously wounded; meanwhile, a rebel was killed after a 20-minute clash with a group of NPA's in Camarines Sur yesterday.

According to Lieutenant Colonel Virgilio Silva, spokesman of the Negros Island Command, seven guerrillas and two soldiers were killed in separate military operations in some remote areas in the Visayas two days ago.

According to Silva, two NPA's and a soldier were killed in a 20-minute clash in a small village in Aklan, while two rebels and a soldier were also killed in an encounter in the town of Candoni, Bacolod, Negros Oriental.

According to Silva, there was a sudden flare-up of enemy activity simultaneous to NPA announcements from a secret radio headquarters in relation to their anniversary on Friday.

In Quezon City, a civilian agent of the Central Police District [CPD] was shot and killed by suspected NPA's in Taguig yesterday morning.

Manuel Pullon, 35, of the CPD Intelligence and Special Operations Division, was killed by two bullets from a .45-caliber gun, one hitting his left cheek and the other hitting his torso.

### Abadia Frees 26 Soldiers Involved in 1987 Coup

HK1305120191 Manila PHILIPPINE DAILY INQUIRER in English 11 May 91 p 6

[Text] Armed Forces chief Lt. Gen. Lisandro Abadia yesterday ordered the release of 26 convicted rebel soldiers involved in the Jan. 27, 1987, coup attempt after their sentence of six years imprisonment was commuted.

The rebel troops, belonging to the Marcos loyalist forces led by convicted ex-Lt. Col. Oscar Canlas, that took over GMA [Greater Manila Area] Channel 7, have been detained already for more than four years since they surrendered on Jan. 30, 1987, after the failed mutiny.

Rear Admiral Proceso Fernandez, AFP [Armed Forces of the Philippines] deputy chief, told a press conference that General Court Martial No. 5 headed by Commodore Plaridel Garcia convicted the 26 rebel soldiers on May 10, 1988, and were sentenced to six years imprisonment with hard labor at the National Bilibid Prisons [NBP] in Muntinlupa.

Former Lt. Col. Canlas and more than 100 other rebel officers and enlisted men are now serving their sentences, ranging from six years to 12 years imprisonment at the NBP.

Fernandez said the sentences of the 26 troopers were commuted after they showed good conduct and behavior after being detained for four years, two months and 13 days.

Fernandez said the freed soldiers were also dishonorably discharged from the military service.

### Spate of Kidnappings Scares Businessmen

91SE0253B Cotabato City THE MINDANAO CROSS in English 6 Apr 91 pp 1, 10

[Article by Regalado Tendaro, Jr.: "Kidnap Scare Puts Business in Hostage Position"]

[Text] The business community in Cotabato City is virtually held in a hostage situation following the spate of kidnaping incidents, an official of a business organization said.

Cotabato Filipino-Chinese Chamber of Commerce and Industry president Robert Yu issued this assessment in an interview with the CROSS Thursday. Yu said the business climate in the city suffered a tremendous setback but said businessmen remained optimistic for the normalization of the situation. The business leader predicted the situation would improve by middle of the year following the attention and security measures enforced by the national leaders in the city and the areas of the Autonomous Region in Muslim Mindanao (ARMM).

Yu, a former city councilor, said at least 50 businessmen fled to other urban centers to avoid becoming victims of the kidnap gang. He said these businessmen followed

irregular schedules in managing their establishments in the city for security reasons.

Yu said the hardest hit by the kidnaping scare were owners of hardware-stores, auto supply and wholesale industries. He claimed replenishment of supplies from Manila was no longer as regular as in the past due to reduced demand from customers.

The downtrend in business, Yu said, could go as high as 50 percent. Despite the losses, the business sector did not resort to labor retrenchment but remained on a "wait and see" attitude, he said.

Yu predicted the influx of foreign investment may be halted for the moment despite the chamber's preparation for business ventures with foreigners as a result of the discouraging business outlook in the area.

Yu singled out a Taiwanese firm which withdrew a business proposal for the establishment of an agro-industrial complex in the region because of the kidnap scare.

He also blamed the kidnaping incidents for the decrease of enrollees at the Cotabato City Institute (CCI). In February, at least 575 students of Chinese ancestry enrolled at the school were forced by their parents to drop their classes out of fear. "It seems that every prominent businessman is on the kidnap list," Yu said.

He described the crime rate in the city as "very much worst" than at the height of the secessionist uprising in the early 1970s, adding that people "are living in a state of personal fear."

The businessman also said bounty hunters offered their services to several traders to get the leaders of the kidnap gang but were turned down because of what he claimed "reassuring, guaranteeless and damaging" effect on the community. Yu said the group left the task of pursuing the terror gang to government authorities. He also welcomed the deployment of a Marine contingent as an "encouragement sight" but added businessmen "want results."

As a security measure, Yu said several businessmen hired the services of Civilian Armed Forces Geographical Unit (CAFGU) to guard their establishments. He also said the chamber endorsed the formation of a Barangay Police Action Force (BPAF) proposed by city councilor Nick Javier as counter-kidnaping militia unit.

#### **Policemen Believed Involved in Kidnapping**

*91SE0223C Manila DIYARYO FILIPINO in Tagalog  
27 Mar 91 p 2*

[Article by Johnny Arasga and "wires"]

[Text] Cotabato City—A businessman and his child were kidnapped by three armed bandits here yesterday.

This is the second kidnapping incident in one of the first-class cities in Mindanao within a week.

It was reported that the bandits took the father (and son), owner of several electrical shops, to an island a few kilometers from Cotabato.

In this connection, Deputy Director General Raul Imperial of the Philippine National Police (PNP) in Mindanao ordered an investigation of three policemen involved in the kidnapping.

According to the PNP intelligence reports, three policemen are involved in a syndicate believed to be run by rebel soldiers and some members of what is called the "Lost Command" of the Moro National Liberation Front (MNLF), which was totally responsible for the kidnapping of rich businessmen.

Last Monday, three professors at one of the universities in Mindanao were kidnapped by the same group outside Cotabato City.

According to the authorities, the bandits asked for five million pesos as ransom in exchange for the freedom of the professors.

Since January, 19 people, mostly Filipino-Chinese businessmen, have been kidnapped.

An estimated 14 people have been set free; however, the ransom payments have amounted to more than 10.3 million pesos.

The residents have criticized the Philippine Army for its failure to stop the kidnapping incidents.

#### **NDF, MNLF Disclaim Kidnap Involvement**

*91SE0253A Cotabato City THE MINDANAO CROSS  
in English 6 Apr 91 pp 1, 10*

[Text] The National Democratic Front (NDF) and the Moro National Liberation Front (MLF) [as published] issued Thursday separate statements denying their involvement in the series of kidnapping incidents which has continued to sow terror to the residents of Cotabato City and at least two Maguindanao towns.

The statements came in the wake of published reports, quoting military and civilian authorities, claiming the two rebel fronts "have connections" with the kidnap gang which has abducted at least 21 persons since September last year.

The denials were issued by NDF spokesman for Central Mindanao Ike de los Reyes in a press interview and MNLF-Utara Kutawato State Revolutionary Command (UKSRC) information officer Alikhan Amir in a press statement sent to media outlets.

In a meeting with newsmen in a remote barangay in Parang, Maguindanao De los Reyes belied reports on NDF's participation in abduction incidents and blamed

the military for "sowing a chaotic atmosphere in Cotabato City and the area of Autonomous Region in Muslim Mindanao (ARMM)." He branded the reports as fabrication and a ploy of the military "to stop the alliance between the NDF and the Moro revolutionary organization (MRO)." De los Reyes defined the MRO as a coalition of forces which adheres to the NDF's "nationalist democratic" line.

Newspaper reports (not this paper) with unnamed military and civilian authorities as sources said two NDF officers have been sighted in the city since last year.

The rebel spokesman claimed the NDF forged an alliance with Moro fronts for "revolutionary principles and objectives" but not with former rebels who resorted to criminal activities after their surrender to military authorities. He also posed a challenge to top military and civilian officials to prove their allegation of the NDF's involvement in the kidnapping incidents.

De los Reyes said the front had no direct links with Abogado Bago alias Kumander Mubarak, the suspected leader of the kidnap for ransom syndicate, even when the latter was with the MNLF. He said Mubarak ceased to be a member of the Moro rebel group after the former field commander reportedly surrendered to military authorities in Marawi in August 1990.

He also warned military and police personnel who participated in the kidnap cases and vowed to punish "those who erred excessively against the people."

"Bibigyan namin sila ng leksiyon (We will teach them a lesson)," De los Reyes said.

The rebel leader also claimed NDF operatives were sent to the hinterlands of Upi and Dinaig towns in Maguindanao to launch a separate rescue operation for Fr. Yves Caroff, an OMI French missionary abducted by bandits March 27. He did not spell out the details of the operation but said NDF contacts in the two towns were giving them updated information on the movements of the priest's abductors.

#### MNLF Denial

The MNLF press statement branded as "baseless" the reports of military authorities pointing to the Moro rebel group's involvement in the kidnapping incidents to "raise funds." It also accused Southern Command chief Maj. Gen. Gumersindo Yap and Maguindanao Governor Norodin Matalam as sowing disinformation campaign against the MNLF claiming the military authorities admitted that some of its personnel and policemen were in "connivance with Mubarak."

The MNLF also disowned Mubarak as its member and said the former rebel "is a lost command." The group said that "other criminal gangs are riding (in) on the kidnap incidents."

The UKSRC press statement claimed the deployment of Marines to Cotabato City "will only add fuel to the fire,"

a handiwork of the government as an "evil sign of distrust among the local military authorities whose men are directly or indirectly involved in the series of kidnappings and other heinous crimes."

It also blamed the military for the evacuation of residents of an unnamed barangay in Dinaig after government troops reportedly "indiscriminately bombarded" the village shortly after the abduction on March 18 of Mindanao State University professors Marino Ridao, Juan Sarabia, Arnel Toledo, Norlinda Enok and Vicky Datukon Datumanong.

Ridao and the two male professors are still held captive by their abductors while Enok and Datumanong were released by the kidnap gang.

#### Police Name Leaders of Cotabato Ambush

HK1305115591 Manila PHILIPPINE DAILY INQUIRER in English 12 May 91 pp 1, 10

[By Manuel Baliao and Ali Macabalang]

[Text] General Santos City—Police authorities here said yesterday two Muslim rebel leaders led the group that ambushed and killed 18 Maguindanao town policemen and three civilians on a South Cotabato highway last Wednesday.

They were identified as Kumander Ronnie and Kumander Benny of the separatist Moro National Liberation Front.

In Cotabato City, meanwhile, military authorities denied a police report that at least 10 Army soldiers were among the 20 ambush gunmen.

Maguindanao Gov. Norodin Matalam ordered the deployment of more policemen in Buluan, Maguindanao, amid reports that the ambush suspects were girding to attack the town and that relatives of the victims had started arming themselves to avenge their death.

Buluan Mayor Datu Powa Mangodadatu said his town was left with only 13 policemen with four firearms. The ambush victims included 12 Buluan policemen.

Manuel Cabigon, the Philippine National Police [PNP] director for South Cotabato, said investigators had gathered the testimony of several witnesses who saw Ronnie and Benny allegedly leading the ambush in Banga town.

Cabigon said he had recommended to Rogelio Martin, the PNP chief for Central Mindanao, the filing of charges against the two and the members of the ambush band, which allegedly included 10 Army soldiers.

The group is based in Lutayan, Sultan Kudarat where it reportedly maintains a training camp, Cabigon said.

Witnesses told police probers that at about 9 a.m. on Wednesday, Ronnie, reputed to be a henchman of Lutayan Mayor Pakong (Pax) Mangodadatu, arrived at

Caboling Crossing in Tantaran, South Cotabato with a group of heavily armed men.

### 10,250 Manila Workers Lose Jobs in Weak Economy

HK0305052691 Manila THE CHRONICLE in English  
3 May 19 p 7

[By staff member Booma Cruz; passages in italics published in Tagalog]

[Text] The weak economy cost 10,250 Metro Manila employees their jobs this year largely because their employers ceased operating in January and February.

In a report to the labor department, Bernardino Julve, National Capital Region (NCR) labor regional director, the laid off workers came from 231 establishments, most of them no longer operating.

Slack market, high costs of operations, lack of raw materials and inability to comply with the two recent wage orders which increased minimum wage to P118 [Philippine pesos] from P89 last year were among the reasons for the closure of the firms and the retrenchment of the workers.

Labor Undersecretary Bienvenido Laguesma said most of the workers came from the manufacturing, service and export-oriented industries. He said Litton Mills, which temporarily ceased operations due to "lack of market", laid off 1,787 workers.

Employers said the 9 percent import levy kept them short of raw materials. They claimed that the levy had

either prevented them from getting the needed raw materials or increased production costs which could not be passed on to the consumers due to keen competition.

The garments industry was hardest hit by the levy and had been forced to absorb the increases in the prices of raw materials since clients' orders are booked a year in advance. This plus the P29 wage hike given in the last quarter of last year increased production costs.

As this developed, Laguesma said that the viability of the regional wage boards, one of the non-wage benefits granted by President Aquino to organized labor last May 1, would be reviewed in July.

He said the possibility of adopting industry-based wages would also be discussed.

"Considering the non-implementation of the wage orders, *baka mas relevant nga ang* industry-based wages since it could specifically address the problems like the capability of the employers to grant increases. The present scheme *kasi* hit the small- and medium-scale enterprises. *Bagyo 'yung P17 at P12 sa kanila kasi hindi nila kaya. Sa iba nga dati hinahati hati pa yung P12 in three years, ngayon isang bagsak lang.* [Considering the nonimplementation of the wage orders, perhaps industry-based wages are more relevant since it could specially address problems like the capability of the employers to grant increases. It is because the present scheme hit the small- and medium-scale enterprises. the P17 and P12 were hard on them because they cannot afford it. Before, the P12 was staggered in three years but now it came in one go.] Of course, the first preference should be for collective bargaining," Laguesma added.

## POLITICAL

**Michai Ruchuphan Comments on Democracy, NPKC***91SE0211A Bangkok NAE0 NA in Thai 17 Mar 91 p 5*

[Interview with Deputy Prime Minister Michai Ruchuphan on 12 March by Priyanan Ungprasoet, Ayut Prathip Na Thalang, and Wutthiphong Lakkham; place not given]

[Excerpts] [passage omitted] [Question] Why did you decide to work with the National Peacekeeping Council (NPKC) in view of the fact that you were a democratic person during the time of General Prem Tinsulanon?

[Michai] I happen to be a person with knowledge about the law, and I have a lot of experience. When this happened, I did not know anything about it. I found out what had happened when my daughter, who is in Japan, called and told me. I was not inside. I was in the garden and did not have television on. My wife turned on the television at about 1100 or 1200. She called me in and said, "Hey, what's wrong with channels 3 and 9? Come and see." Our house does not have a television antenna. I turned the knob several times but couldn't get anything. I told her not to worry about it. (laughs)

I did not know anything about what had happened. I went out and did not return until about 1600. When I got there, the house was full of people. I asked what had happened, and they told me that there had been a coup. Some soldiers came to pick me up. They asked me to provide some help. I did what I could to help. By the time I arrived, they had already issued several announcements. I arrived just before they announced that the political parties would not be disbanded.

At first, they planned to disband the political parties, but I said that that was not necessary. In view of the fact that we plan to hold elections in the near future, it isn't necessary to disband the political parties, because the parties are the foundation of elections. I said that if the parties were disbanded, that would just disperse the assets and shatter things. Then, when the election was held, we would have to start at square one all over again. Before an election could be held, we would have to register the parties, and the parties would have to find members. That would be a very difficult process. They said that would be fine, but that they weren't sure that they could do that. I said that we could do it but that it depended on how this was worded.

We considered each political party because, in forming a foundation for the political parties, this was the longest time ever. The political parties had a fairly good foundation. Of course, there would be some turmoil within. That is the Thai style. But it must be admitted that there is a foundation. The parties have begun giving attention to technical knowledge. They have begun feeding information to their members. If they had disbanded the parties, these data would have been lost. I said that that

would help. The military was pleased and said that that would be good if it could be done.

[Question] The government will restore democracy, but will this be different from our previous system of democracy?

[Michai] It depends on the constitution that is being drafted. I am sure that those drafting the new constitution will take steps to correct the weaknesses in the old constitution and put forth ideas to solve the old problems, such as the problem of vote buying. After people buy themselves a seat, they use their position to extract money. How can this problem be solved? Solving this problem may change the appearance of the administrative or legislative systems. Right now, no one knows. All we know is that this is an important problem. It's up to those 20 people to figure out how to solve the problem.

[Question] Many factions oppose not allowing MP's [members of Parliament] to serve as ministers.

[Michai] That is one idea that must be given attention. The mass media has asked me if the subcommittee that is drafting the constitution will be free. I have said no, and the reason that it won't be free is that it can't rely just on its own ideas. It isn't like writing a column. We must listen to the views of all sides, including politicians, academics, people with specific qualifications, government officials, the military, and the people. The subcommittee must see what each faction wants and what will be best for everyone.

The subcommittee may have its own views, which should be considered along with the views of others. If each of the 20 people on the subcommittee were allowed to draft a constitution, there would be 20 different constitutions. That is full freedom, but it wouldn't work, because they wouldn't listen to anyone else. When we write a column, we can express our views. No one can tell us what to write. But once the column has been written, people are free to accept or reject what we have written. We can't force anyone to accept it. But in drafting a constitution, which is the supreme law in governing the country, there must be some give and take on the part of all factions so that everyone can live with the result.

[Question] General Suchinda has said that legislative power must definitely be separated from administrative power.

[Michai] That is the intention, but what mechanism will be used to achieve that? That is something that must be considered. It is similar to the question of who will be used in place of the MP's if MP's aren't allowed to serve as ministers. This is a question that must be answered. People must think about that. If that is what people want, they will have to think about how to achieve that. If that happens, we may discover that we like it.

If an MP cannot serve as minister, there may be a way for someone who is liked by the people to become a minister.

[Question] Can the democracy now in effect be called a new-style democracy?

[Michai] We are moving toward a type of democracy that should be the best type for Thailand. I don't know exactly what form this democracy will take. We have more than 10 years experience. This is a good opportunity. It's like the last constitution. People complained that the details were not correct because, when Parliament implemented it, problems arose. Actually, that is not correct. That constitution was used for a long time. Every article was used. In the past, things were written but not used. If things aren't used, there won't be any problems. It's only when something is used that you discover where the problems are. Thus, the experience that we have gained during the past 10 years should help us determine what is in accord with the character of the Thai people, the structure of the people, and the views of the people in voting for people. Those responsible for drafting the new constitution should be able to make use of this experience. [passage omitted]

[Question] How was this coup different from previous coups, and will democracy soon be restored to the people?

[Michai] In talking with them about drafting the constitution, I got a clear picture of their intentions. They asked how long it would take to draft a constitution. They also wanted to know how long it would be before an election could be held after drafting the constitution. I asked them if they were going to set a time. They said that they wanted to but that it would depend on how long it would take to draft the constitution. I told them that it would take at least six months. That is very quick. An election would be held 120 days, or four months, after that. That would mean that the election could be held about December. The military said fine, because that would mean that the election could still be held in 1991. This shows that they do not intend to hold on to power forever. I think that they have good intentions.

[Question] In your view, will the prime minister be an elected official?

[Michai] In the final analysis, this will involve Parliament. You and I can't choose a prime minister. There must be some type of mechanism to link things to Parliament. Things to consider are whether Parliament will accept the person and whether he will be someone on whom the country can depend and who will represent the people of the entire country. But it probably won't reach the point of having to select someone or some organization that is not involved with the people.

[Question] MP's will certainly have to accept those people who are serving as ministers or leaders.

[Michai] That's right. The two are closely related. They have to be.

[Question] Will we have to compromise (with the military) in order to hit the targets?

[Michai] In talking about compromise, I was referring to the constitution. I did not mean compromising with the military or NPKC. I was referring to compromise among thinkers, political scientists, experienced politicians, and the people. These four groups do not hold the same views. Thinkers dream of utopia, and political scientists consider things from the standpoint of the state. Politicians view things from the standpoint of what should be politically. The people may want something else entirely. One faction may say that something is good, but another faction may disagree. They must compromise and reach a consensus.

If we can't tolerate vote buying, we must tell the other faction that that is unacceptable. We must tell them that it is bad and that we can't allow it. You must agree to that, because we can't tolerate vote buying. This is what I mean by compromise. I wasn't referring to compromising with the NPKC.

[Question] Doesn't the government's administrative sphere overlap with that of the NPKC?

[Michai] No, because the NPKC will monitor things in the beginning when the government formulates policies. They will attend the meetings in order to participate in formulating policy and inform parliament. After the government has clear policies, the government will carry out things in accord with the policies. It will not have to obtain approval. If a problem arises and it is felt that the matter needs to be discussed with them in order to get their views, a meeting will be held. I think that this is a good mechanism. They will participate in formulating the policies because when they staged this coup, they had a purpose. They wanted to solve the problems that had arisen.

It is impossible for the government to disregard their intentions. But that would not be fair. Today, if the government acted improperly toward the NPKC and the NPKC protested, problems might arise. Thus, we must talk with each other. When the NPKC staged the coup, it stated which problems it wanted to solve and said that these were urgent issues. It has asked if the government can solve these problems and if the government agrees. If we discuss things and then formulate a policy, conflicts won't arise later on.

Let me give you a simple example. The NPKC has said that it wants an election held this year. The government that took over had nothing to do with that, because it never announced when elections would be held. The government did not participate in the coup. The government could become engrossed in its work. I am very comfortable in my work and could continue for another two years. I could formulate a policy stating that I have made plans and that matters will be resolved in two years. If that were the case, the NPKC would die. Right? They would be the ones who would be criticized for promising that there would be an election in 1991. The



government could remain quiet and say that it did not make any promises. Right? But that is not right. We have to talk to each other.

They want to solve the problem of corruption. If the government doesn't agree, it must tell them that it doesn't think that this is a problem. From my standpoint, things are fine. If the people agree, the NPKC might accept this. With respect to the problems that they want to solve, the government must go along, because the problems that they have mentioned are very clear.

There is also the problem of vote buying. The NPKC has said that the system is rotten because of vote buying. The government can't deny that. It must formulate a policy outlining what will be done. A government that was not elected may have problems. It may not be able to hit the targets set. The NPKC may have data. They may say, you have stipulated things like this, but you won't be able to solve the problems. You have to solve the problems like this. We have to talk to each other so that we understand each other. If this is done, things will proceed smoothly.

#### **Michai Discusses New Constitution, Elections**

*91SE0210A Bangkok DAILY NEWS in Thai 3 Mar 91  
pp 1, 10-11*

[Excerpt] [passage omitted] In an interview concerning the new national administrative charter, Mr. Michai Ruchuphan said that this charter is very different from the previous one. This charter clearly states that a constitution must be drafted within six months. At the same time, it clearly stipulates the duties of the National Peacekeeping Council [NPKC], which must adhere to this charter. Thus, as far as cooperation is concerned, the problems that arose in the past will not arise this time. A reporter said that this administrative charter seems to be fairly dictatorial in nature. Mr. Michai said that that is not true, and he asked the reporter to point out which aspects are dictatorial. The reporter said that the charter stipulates that the NPKC can remove the prime minister at will. Mr. Michai responded by saying that, as always, the appointment and dismissal of the prime minister must be approved by the king. But now that the NPKC has seized power, the government obviously can't be the same as before.

A reporter said that it seems as if we now have two governments. Mr. Michai responded by saying that the form may seem strange. If the NPKC just sat back and watched, that would be strange and problems could arise. The way to prevent problems from arising is to discuss things together. The reporter asked if this would create problems similar to those that arose during the time of the Thanin administration. Mr. Michai said that that matter has been studied. We know what the weaknesses were and will take steps to correct those things. The reporter asked about the use of Article 27, because many people are concerned about this. Mr. Michai said that the administrative charter will be used for a short time only. After an election is held and a government is

formed, this will no longer be used. In today's situation, there must be certain tools that can be used; otherwise, it won't be possible to solve the problems quickly. He said that, in his view, in the wake of what happened in the past, this power will be used in a very circumspect manner. He said that times have changed greatly. Unlike in the past, Article 27 will not be used arbitrarily.

A reporter said that the form of the NPKC resembles that of a communist party in control of the government. Mr. Michai said that he has never studied communist forms. But if that is true, it is merely a coincidence. No one intended that. The reporter asked if the drafting of the constitution will be completed within six months. Mr. Michai said that if it isn't, the National Legislative Council will be dissolved and the NPKC and the government will use a past constitution or the draft constitution drafted by the National Legislative Council as called for by the administrative charter. As for the six-month stipulation, counting from March, that means that the constitution must be completed by 30 September 1991. After that, preparations for an election must be made within 90 days. However, if something happens that makes it necessary to consider the draft constitution during the third quarter, the period for considering this can be extended another 120 days, which would extend the time to April 1992. Thus, at the latest, things must be completed by May 1992. After that, there would be an election on 30 August 1992. This could happen in the event that the National Legislative Council uses its power. A reporter asked if extending the time to April 1992 wouldn't be a violation of the administrative charter? Mr. Michai said that in a worst-case scenario, the time could be extended to that date. But it isn't expected that such problems will arise. It is expected that an election will be held in 1991. [passage omitted]

#### **Anan Comments on Relations With Military**

*91SE0210B Bangkok NAE0 NA in Thai 9 Mar 91  
pp 1, 14*

[Interview with Prime Minister Anan Panyarachun on 8 March at Bangkok Army Television Channel 5]

[Excerpts] [passage omitted] On 8 March, Mr. Anan Panyarachun, the prime minister, was interviewed on the program "Conversations About the Country's Problems" at Army Television Channel 5. Others appearing on the program included Miss Wipha Sukkit, the editor of DICHAN; Mr. Phaisan Sicharatchanya, editor of THE BANGKOK POST; and Mr. Somkiet On-Wimon, managing director of the Pacific Intercommunications Company, which produces the daily news broadcasts for Television Channel 5.

The following are the comments made by the prime minister.

[Question] How do you feel about having been appointed prime minister?

[Anan] My life has changed greatly. Normally, I like to live quietly and simply. I had not prepared myself to be appointed prime minister. There was little time to make a decision. Previously, I lived quietly at home, but now my home is like a public park. I have had to apologize to my neighbors for all the commotion. I did not expect to be appointed to this position. Actually, I do not want my life to change very much.

There is no such thing as complete happiness or suffering. My happiness stems from being a Thai and a loyal subject of the king. Whenever something happens, everyone is concerned about the future of the country. The National Peacekeeping Council [NPKC] did everything possible to choose a civilian prime minister. They finally chose me. The unfortunate thing is that I have not followed politics very much and have not been involved in this. I accepted because I felt that it was my duty. Another unfortunate aspect of this is that I now have little time for my family. Thus, there are both fortunate and unfortunate aspects of this. But my family knows why I accepted this position, and they are very supportive.

[Question] As an interim prime minister, what are your goals for the next six to nine months? What specific things do you hope to accomplish?

[Anan] Things are still not clear because, according to the temporary charter, a legislative council must be formed to draft a permanent constitution. This will probably take at least six months. It could even take as long as 14 months. The prime minister and his cabinet are not members of this legislative council. I and the 35 members of my cabinet will work together as a team. Any issue having to do with policy must be discussed with the NPKC. Each ministry must perform certain duties and we must look to the future so that the next government can take over from there. If the next government agrees with the policies that have been formulated, it will be able to coordinate things and use those policies. But if it doesn't, it may revise them.

[Question] What about the work of the new cabinet?

[Anan] I have formulated a work system. I have stipulated that if this plan does not achieve results within two to three months, we may switch to some other plan. There are various problems that don't need to be discussed by the cabinet as a whole. The relevant ministry should handle those problems by itself. I plan to hold a cabinet meet once or twice a week depending on what matters need to be discussed. In the past, there were some important issues, particularly concerning projects requiring large sums of money. But at the meetings, the cabinet had only 15-20 minutes to discuss these things. I think that such issues should be discussed in depth. In many cases, there is no intention of fooling the people, but things are not discussed in an orderly manner, with the result that it seems as if someone is trying to cheat.  
[passage omitted]

[Question] People have criticized democracy in our country, saying that the MP's [members of Parliament] lack quality. As a person who favors democracy, did you exercise your right to vote in past elections?

[Anan] My wife and I voted in every election, because I believe in the democratic system. But I am aware of the fact that, in the past, the quality of our MP's was not what it should have been. But my question is, how much of an opportunity were our MP's given? I think that it should be known that there will be a permanent election every three to four years so that our youths become more interested in politics. There are still many weaknesses in our democratic form of administration. But at least that is a good system.

[Question] What about the quality of MP's today?

[Anan] Their quality will continue to improve. There is a saying that the government mirrors the people. The people should have the government that they want. It all depends on the quality of the people. If the people like vote buying or corruption, they will elect such people to govern them.

[Question] What steps will you take to become better known by the people?

[Anan] It's only normal that few people know me because, in general, knowing someone means knowing what he thinks and feels. It's more than just being able to recognize him when you see him. I know that I was not elected to this position. I have told the cabinet that we must get to know people everywhere, not just in Bangkok but in the provinces, districts, and villages as well. If we don't, that is a weakness on our part. The ministers may have studied abroad, or they may have been senior government officials. The problem is that we must take steps to learn what the problems of the people are and find out what the people think. I hope that the mass media and former MP's, who may be better informed about what the problems are, will give us their views. I would be happy to listen to their views, because I am concerned about this.

I am moderately well educated and know a little about a wide range of topics. But I am not an expert in any particular field. I try to study things. I think that learning is a lifelong pursuit. I like to ask questions about things that I don't know. Don't think that now that I have been appointed prime minister I will sit back and daydream. It's been said that I am a communist, a feudalist, and a businessman. But I consider myself to be an honest person who tries to carry out his duties as well as possible in both business and government circles. Whether this government succeeds or fails depends on the people. I have great faith in the power of the people.

[Question] Does the NPKC view foreign issues as urgent problems, and how great an effect will these problems have on the country?

[Anan] As for foreign governments, I don't think that anything surprising has happened. This is a period in our administration. Outsiders may think that we have made administrative changes and rejected democracy. But because we have our own reasons, that doesn't matter. The NPKC appointed or recommended a civilian for the position of prime minister and appointed civilians to serve as cabinet ministers. This is a first step on the way to restoring democracy in Thailand. The constitution that is being drafted will certainly call for an elected government. As for when the election will take place, I don't have the right to voice an opinion in public, because I am not a member of the Legislative Council. That is not the duty of the administration. But the NPKC is sincere about holding an election and restoring democracy. This is not a trick or stratagem.

[Question] In what circumstances will martial law be lifted?

[Anan] Personally, I would like to lift martial law as soon as possible. But as we all know, the situation has not returned to normal. If martial law were lifted today, there would definitely be problems. Lifting martial law is not a problem in theory but in practice. This depends on how quiet things are. This is up to the NPKC to decide.

People used to say that I hated the military and that the military hated me. I'm not sure who hates who. I have never set any conditions, and the NPKC has not set any conditions with respect to me. We have to trust each other completely; as long as I am prime minister, they have to allow me to carry out my duties as I see fit. If the military does not trust me or thinks that I am trying to stab it in the back, I will resign. We have to start off by trusting and understanding each other. I have a few tricks, but they are not deceitful.

I will exercise judgment in deciding which matters to discuss with the NPKC and which matters we can handle on our own. I am sure that the NPKC is doing the same thing. It's a matter of how to discuss matters. There are no rules stating that we can or can't do this or that. Everyone on the cabinet is a member of the same team. Representatives of the NPKC are members of the cabinet, too.

[Question] Would you discuss the policy during these six months? [passage omitted]

[Anan] On the economic front, we will have a free trade system. There will be competition. There won't be any monopolies, that is, no one will be protected. Having a free trade system must go hand in hand with maintaining the stability of our currency, maintaining discipline in expenditures, maintaining the fiscal situation, distributing income to the rural areas, reducing the gap between the rich and the poor, solving the environmental problems, preserving the forests, and being honest in performing our work. [passage omitted]

[Question] In view of the fact that you are working with the military and playing a role in governing the country, how do you view the situation and the development of democracy in the future?

[Anan] I would like to respond by saying that I am not involved with the military as a whole. My duty is to discuss matters with the NPKC. So far, there haven't been any problems. I am very happy about that. Neither side is prejudiced. We are all talking to each other openly and not keeping any secrets from each other. As long as we have such a relationship, I think that things will be fine. [passage omitted]

## ECONOMIC

### Policymakers React to U.S. 301 Trade Decision

#### Amaret, Ex-MP Surin, Doctor

91SE0257A Bangkok SIAM RAT in Thai 27 Apr 91  
pp 1, 14

[Excerpts] [passage omitted] The minister of commerce said that, with respect to the issue of intellectual property or Article 301, he has already said that it hasn't been possible to reach an agreement. "I have discussed this with the minister of foreign affairs and have received the approval of the prime minister. Both agreed with sending a letter to Mrs. Carla Hills. A letter was sent on 25 April. In that letter, we mentioned the efforts that Thailand is making to revise the Patent Law and the Trademark Act by the date set by the United States. But, if this is done, it will mean that the Thai administration is meddling in the affairs of the legislative branch. We have never done that before.

"Parliament has said that the Ministry of Commerce's position is correct, that is, the Thai administration does not want to meddle in the affairs of Parliament."

Mr. Amaret also said that "the United States has asked us to protect all types of inventions, including crops, livestock, and microorganisms, and to have this apply retroactively to older drugs that have been registered in other countries but that have never been sold in Thailand. They have also asked us to stipulate very strict conditions in using patents. We probably won't be able to agree to this, because if we agree to these restrictions, which many other countries haven't accepted, we will be at a disadvantage during the patent negotiations at the Uruguay talks. Thailand will be under a greater obligation than other countries regarding drug patents, which will mean that we will be at a disadvantage when competing with these countries in the future. I have informed them that Thailand will try to improve its system for protecting intellectual property. We have to admit that improving this system will benefit Thailand, too, because in the long term, we will have to improve Thailand's intellectual property protection system in line with that of the world community. That is, we will have

to revise our copyright, patent, and trademark measures in line with international standards." [passage omitted]

On 26 April, Mr. Surin Phitsuwan, a former Democrat Party MP [member of Parliament], talked with reporters about the trade dispute between Thailand and the United States. The United States has charged that Thailand has violated intellectual property rights with respect to trademarks, patents, and copyrights. He said that Thailand is now under heavy pressure. Because the legislature is an appointed body, the United States thinks that the administration can control it. It thinks that the National Peacekeeping Council [NPKC] can control it. They view this as being different from an elected parliament, which they consider to be the representative of the people and a symbol of democracy and which cannot be pressured too much.

"Minister Amaret doesn't know what he is doing. This will have a very adverse effect on the negotiations. How can he say that the administration isn't meddling in the affairs of this appointed Parliament, whose knowledge and capabilities are different from those of an elected parliament, some of whose members may have obtained their positions using various tricks? I don't think that Amaret is being very responsible. He is looking down on the people and belittling Parliament. Even if that is what he thinks, he shouldn't say such things in the mass media. He has insulted all 550 members of Parliament. Everyone knows that the U.S. Congress is putting pressure on Thailand because they think that the administration and the NPKC can control this Parliament," said Mr. Surin.

The former Democrat MP also said that, after former Prime Minister Chatchai Chunhawan appointed Mr. Amaret minister of commerce and he had to deal with the patent and trademark problem, he never talked with Parliament like this. He praised Parliament, saying that this was the right of the elected parliament and that the administration couldn't interfere.

"This shows that Mr. Amaret is in a corner. He has probably forgotten that the United States is a democratic country and that they have to speak democratically and show respect to the people. One reason why they are taking such strong action against us now is that we are not a democratic country. The minister who is directly responsible has praised the appointed Parliament and belittled the old elected Parliament. Instead of listening, I think that he will be sorry," said the former MP from Nakhon Sithammarat. [passage omitted]

"After the decision is made, we will still have seven months to negotiate with the United States. But from what I have seen, I don't think that the Thai negotiators know what they are doing. They don't understand their opponent. Thailand's interests will be adversely affected. The prime minister has said that an elected government is best for the country, but the minister of commerce has criticized the popularly elected parliament," said Mr. Surin in conclusion. [passage omitted]

Concerning this issue, Dr. Withun Unggraphan, the vice president of the Medical Association, said that having drug patents will cause drug prices to rise. This will have a direct effect on patients and have an adverse effect on public health. The Ministry of Public Health does not produce drugs, but buys and modifies them. If drug prices rise, service charges will rise, too. This will affect the government and the people. The Drug Patent Law to protect intellectual rights will stimulate new ideas. But drugs are not goods. This should be viewed as a matter of merit. People should not think about becoming wealthy from this. Registering drug patents will have a long-term adverse effect. Why should we protect the rights of others and ignore the rights of fellow Thais? The fact that Thais are allowing the United States to pressure us on this issue shows that Thais lack freedom and have little prestige.

Dr. San Hatthirat, an adviser to the Committee to Coordinate Private Organizations for Primary Public Health, said that having drug patents will make it impossible for Thailand to produce its own drugs or do anything. The United States has put great pressure on several European countries regarding drug patents, but that has not had any results. Thus, they have turned to exerting pressure on Asian countries, using Article 301 (U.S. import tariffs) as a threat. If Thailand agrees, those who stand to benefit are the financiers and certain politicians. It is the Thai people, particularly poor people who use large amounts of drugs, who will suffer. He proposed four solutions: 1) The National Drug Account should be used, and generic drug names should be used instead of trade names. 2) Drugs are an important factor in daily life and so drug prices should be controlled. 3) There should not be any advertising for drugs, and there is no need to promote sales. 4) A drug standards inspection center should be established.

Dr. Chiraphon Limpananon, the representative for the Project To Study an Intellectual Property System, said that the 1979 Drug Patent Act is already quite suitable. Why should we revise it, and for whom are we doing this? Who will benefit from this? As a representative, he said that we have done things in accord with international patent laws. Thailand has not stolen any intellectual property. Why haven't academics talked about the drug patent issue in order to inform the people and show resolve in solving this problem?

Miss Priyada Thoenchuchip, a representative of the Community Hospital Pharmacists Group, said that the government should consider this matter very carefully. But if it rushes to solve this problem, this could have long-term adverse effects. This will affect people in the rural areas. Implementing a drug patent law will create a monopoly on drugs, with the result that drug prices will rise. Rural people won't be able to buy drugs. The present government is a provisional government and wants to solve the urgent problems. But the drug patent problem is not an urgent problem. This has been a problem for a long time. The government should consider this carefully, because this will have a direct effect

on the people. As a representative, she said that Thailand should use the 1979 patent Law. [passage omitted]

### Asa, Anan, Supachai Respond

91SE0257B Bangkok MATICHON in Thai 28 Apr 91  
pp 1, 21

[Excerpt] [passage omitted] Mr. Asa Sarasin, the minister of foreign affairs, said that there have been reports that the United States will try to put upward pressure on the value of the baht in order to affect Thai exports. But they probably won't be able to do that, because the two are not related. What the United States can do if an agreement can't be reached is to set tariff barriers if it loses a certain amount, so that Thailand loses a corresponding amount.

Mr. Asa said that if the United States implements Article 301 of the Trade Law to retaliate against Thailand, this will create problems for Thailand. The prime minister has said that this is something that the United States can do unilaterally. But Thailand has done the right thing, because we are trying to protect our interests. However, Thailand will review the matter, because the U.S. market accounts for 20 percent of Thailand's exports.

Mr. Asa said that the United States is not happy with the talks with Mr. Amaret Sila-on, the minister of commerce. But Thailand has done what it could. Besides this, Thailand is waiting to see what the outcome of the GATT talks will be. Thailand has told the United States that Thailand can't go beyond what GATT decides. What we need to do is talk with the United States during the seven or eight months that are left. Thailand has already given the United States as much as it can. He said that he, Mr. Amaret, and the prime minister have discussed this matter frequently.

In an interview, Mr. Anan Panyachun, the prime minister, said that Thailand will have to continue negotiating with the United States. There are still six months left. That is a U.S. law, but it is contrary to GATT regulations. This will not exert an immediate effect. The United States is trying to pressure Thailand because every year Thailand exports goods worth several tens of billions of baht. If the United States raises import tariffs, the price of Thai goods will increase and sales will decline.

"But I think that the chances of their taking such action against Thailand, which would be the first country to face such action, are very small. I am certain that there are several other countries that, in the view of the United States, are just as bad. That includes India and Brazil. Those countries are larger than Thailand. The United States will have to consider this carefully," said Mr. Anan.

Mr. Anan also said that he hasn't heard anything about the United States trying to put upward pressure on the value of the baht. A reporter asked if the United States actually does try to do that, what will Thailand do? Mr.

Anan said that this is Thailand's affair. The Thai Government is the one that will set the policy.

The reporter asked if it will be possible to solve the problems in the time remaining. Mr. Anan said that he is optimistic. What we must do is protect Thailand's interests. The videotape and drug patent issues are issues of the private sector. The United States will have to examine things to see if Thailand has any shortcomings.

Mr. Supachai Phanitphak, managing director of the Thai Military Bank, said that the Thai Government shouldn't make any concessions in the negotiations with the United States. It should use the fact that the United States is still using the Farm Act to protect U.S. agricultural products and exports as a bargaining point. If the United States repeals that act, Thailand will make concessions on the patent issue. [passage omitted]

### Kroekrai Reacts to Charges

91SE0257C Bangkok MATICHON in Thai  
30 Apr 91 p 4

[Excerpt] [passage omitted] Mr. Kroekrai Chiraphaet, the deputy under secretary of commerce for foreign trade negotiations, said that of the 34 countries charged by the United States with failing to fully protect intellectual property, Thailand is the only country to fight the proposals by the United States, which insists that intellectual property must be protected. Thailand has been fighting this for six years now, since 1985. In 1985, the United States announced that it would review granting GSP [Generalized System of Tariff Preferences] rights to Thailand. Negotiations were held on five points, including the issue of Thailand protecting drug patents. In 1986, the United States made an official request and so, on 15-16 September 1986, the Thai cabinet issued a resolution on revising the 1979 Patent Act in order to protect drugs, too. But Thailand stated that it could not do what the United States had asked. In 1988, the United States said that the negotiations had made little progress; the next year, the United States cut our GSP rights on eight items.

"If people charge that the Thai delegation led by Mr. Phachon Isarasanao Na Ayuthaya, the under secretary of commerce, "sold the country" during the negotiations with the United States on 22-24 April by agreeing to U.S. requests, the country would have been "sold" four or five years ago and we would not have been listed as a PFC [priority foreign country]," said Mr. Kroekrai. He added that there have been rumors that, at the 30 April cabinet meeting, the Ministry of Commerce will ask the cabinet to consider revising the Patent Act. If that were true, we would be giving in to U.S. pressure. "We will do things according to the schedule already set." [passage omitted]

### Video, Audio Industry Comments

91SE0257D Bangkok MATICHON in Thai 1 May 91  
p 4

[Excerpt] [passage omitted] Mr. Phet Hongfa, president of the Video Retailers Association, told MATICHON that if the government orders officials to increase penalties, it will probably hold talks to ask the United States to repeal the retaliatory measures against Thailand. Today, the foreign video market is dominated by pirated videos, which infringe on copyrights. Only 30 percent do things correctly. However, even if the United States uses Article 301 against Thailand, this will affect exporters more. This won't affect video retailers.

Mr. Charoenchai Wangarayatham, the president of the Thai Tape and Record Merchants Association, told MATICHON that the United States should give Thailand more time to solve this problem. The association has tried to solve the problem of people infringing on copyrights of U.S. tapes. It asked the IFPI to provide information on who holds the copyright on various recordings. That way, those who want to sell the recordings can contact the holder of the copyright. But so far, the association has not received any response.

"We have sent another letter to the IFPI. If Thai merchants know who holds the copyrights, I don't think that anyone will violate the law."

### Sano Unakun, Exporter Respond

91SE0257E Bangkok DAILY NEWS in Thai  
30 Apr 91 pp 1, 16

[Excerpts] [passage omitted] In an interview at the Government House on what effects Article 301 will have on Thailand, Mr. Sano Unakun, the deputy prime minister, said that this may force the government to revise the investment promotion policy. We will start providing more support to industries not affected by this protectionist measure in order to limit the effects of Article 301. Besides this, the prime minister must inform the foreign chamber of commerce representatives in Thailand that Thailand will not be affected very much by U.S. protectionism. Because Thailand's economy has expanded greatly. Thus, Thailand can open trade markets elsewhere. Article 301 will affect only goods exported to the United States.

The deputy prime minister said that the United States will have to consider how this will affect international relations. The Thai government must negotiate with the U.S. government in order to maintain good relations. [passage omitted]

Mr. Nakhon Phonphanit, the managing director of the Surat Canning Company Ltd., which produces canned seafood for export, talked about the U.S. announcement that Thailand is one of the priority foreign countries. It is thought that this will affect exports of canned tuna.

Mr. Nakhon said that this will not have much of an effect on his company, because the company's main markets are European countries such as England, which is the company's largest market. It also exports goods to Spain, Belgium, the Netherlands, Canada, and Japan.

### Police Colonel Views Violators

91SE0257F Bangkok NAEO NA (LOK THURAKIT SUPPLEMENT) in Thai 15 Apr 91 pp 7, 8

[Text] Police Colonel Wanlop Wachanaphuka, the deputy commander of the Economic Crime Control Center, told NAEO NA that police officials are suppressing and arresting those who violate intellectual property copyrights based on the information provided by foreign companies. Police must uphold the law. Even though the police are being criticized for serving foreigners and even though is hurting certain groups of Thais, the police must do this.

Actually, this will benefit Thailand, since the United States will not use Article 301 against Thai exports, which are worth billions of baht a year. For this reason, we must do our best so that the United States and the other countries that have charged that Thailand is ignoring copyright violations know that we are not ignoring this matter.

The deputy commander of the Economic Crime Control Center said that the way to make the United States understand that Thailand is not involved in copyright violations is to suppress the violators. At the same time, those who have suffered damages as a result of copyright violations are being given a chance to file complaints with police officials. Because unless someone files a complaint, the police can't take action against these copyright violators.

As for suppression results last year, the police arrested approximately 200 violators. But today, copyright violations are widespread, and this activity is very profitable. On the other hand, the punishment for engaging in this is a fine of just 20-200,000 baht, which is a very small amount. Violators are not afraid of being caught, because the profits are huge.

### Commerce Official on Countermeasures

91SE0257G Bangkok BAN MUANG in Thai 19 Apr 91  
p 7

[Excerpt] [passage omitted] Mr. Suchai Chaowisit, the deputy director general of the Department of Business Economics, Ministry of Commerce, has formed a work team to consider reviewing and revising the Law on Countering Market Flooding and Subsidies (CVD). The purpose of this is to protect domestic industries and prevent imported goods, with stipulated prices, from gaining an unfair advantage from market flooding or foreign subsidies.

Mr. Suchai said that the work team will study matters and submit ideas on how to oppose market flooding and

subsidies. This will be considered based on the laws, ministry regulations, and announcements and on the steps called for in the 1964 Act on Controlling Market Flooding, the 1979 Import-Export Act, GATT regulations, and the laws, ministry regulations, and rules concerned.

"We will study things and try to find a way to improve the laws concerned. We will look at the obstacles to retaliating against subsidies. As for the suggestions made, besides being in line with the GATT regulations, they must also be aimed at protecting our domestic industries both now and in the future," said Mr. Suchai. He added that the team will do things in two stages. During the first stage, the team will draft an operations statement for opposing market flooding and retaliating against subsidies. This must be completed within two months. During the second stage, the team will submit proposals on revising the anti-market flooding act. This must be completed within six months.

#### Academic Censures U.S. on Drug Patents

BK2604072891 Bangkok MATICHON in Thai  
26 Apr 91 p 3

["Report" by Professor Doctor San Hatthirat, adviser to the Committee for Coordinating Private Organizations for Basic Public Health: "Medical Patents - Who Kills Whom"]

[Excerpts] Thailand is facing extensive pressure from the United States to negotiate "one on one" to amend its medical patents law in compliance to what the former wants.

The "one-on-one" negotiations will give the United States a huge advantage over Thailand and is akin to a boy facing a hoodlum in a standoff.

By forcing the Thai Government to amend its medical patents law and making it interfere with the legislature by assuring that it would approve the law by this year, and also by threatening to use Article 301, the U.S. is violating international law and morality, and this is tantamount to an attack by "a wolf against a lamb."

Thailand is an independent country and has never been colonized by any superpower. Therefore, it must not tolerate threats and pressure to force it to enact laws at anyone else's whim as this amounts to trampling upon the country's sovereignty. [passage omitted]

The patents law bestows the right to monopolize production, sale, use, and import, therefore allowing monopolies in purchase, sale, production, and import. This results in:

1. Definite and considerable increases in the price of medicine.
2. Shortages if patent holders refuse to sell, produce, or import.

3. The availability of medicine only to the wealthy, while shortages would be frequent among the rural and poor communities.

4. More than 80 percent of the local medicine industry would close down, and medicine patents would hinder medicine production, as is the case with England.

Because of this and because of foresight that had the benefit of the majority of the population in mind, a past government passed a patents law in 1979. This excluded medicine, allowing only "patents on the medicine production process," not on the product itself. [passage omitted]

However, medicine product patents will create monopolies in trade, production, and import, and cause medicine shortages and other adverse consequences described above.

Some technocrats and administration officials have supported amendment of the patents law to comply with the U.S. request, claiming that:

1. The amendment would comply with the international law on patents.
2. It would create incentives for the local invention of new drugs.
3. It would transfer medicine production technology from abroad.
4. Thailand would not have to "steal" U.S. intellectual property used in medicine production.
5. Thailand would be able to avoid being punished by U.S. Article 301, and so forth.

By acting as U.S. mouthpieces, it is evident that these technocrats and administrators are serving as U.S. slaves. They are selling out their country for a few dollars because the claims above, except item 5 on being punished by Article 301, are untrue, for the following reasons:

1. The Foundation of International Patents Systems permits countries to make exceptions according to their needs and their economic, technological, sociocultural, and political conditions.

For this reason, Thailand has the right to make exceptions because its economic, technological, and other conditions differ vastly from developed countries.

Even more economically and technologically countries, such as Australia, New Zealand, Finland, and Norway, have refused to accept "medicine product patents."

2. Incentives for local invention of new medicine is a greatly exaggerated claim as to date nearly all medicine used in Thailand are imported and repackaged. Thailand has not even produced generic medicine whose patents expired decades ago. To think about inventing new medicine is no more than a dream.

3. "There would be transfer of medicine-production technology from abroad." This claim is again not based on facts as we already see that there has been no transfer of medicine production technology in countries that had been forced to adopt protection for drug patents. Production remains a secret and the monopoly of production technology has worsened, resulting in shortages and higher prices for medicine.

4. "Thailand does not 'steal' U.S. intellectual property in medicine production." That is another invalid claim. Thailand does not possess the technology for medicine production (not to mention even simple types of medicine which are no longer under patent monopolies). So how can Thailand steal the technology to manufacture new drugs from the United States?

All active ingredients for the manufacture of pills or capsules are imported from abroad. Thailand, therefore, cannot steal U.S. know-how in drug manufacturing.

Those capable of "stealing" U.S. intellectual property in medicine production are countries with the same technological level as the United States. But the U.S. cannot pressure those countries or punish them as they are strong and brave enough to confront the U.S. to protect the interests of their people.

5. "Thailand will be punished under Section 301 of the U.S. Act." This is true, but the effects will be felt only among exporters to U.S. markets and then only temporarily.

Meanwhile, if we amend the drug patent law for the United States, the entire population of Thailand will feel the pinch and permanently too.

Yet, can we be assured that the United States would make no other demands once we amend the patent law? In fact, from our experience as well as those of other countries, we think the United States will continue to threaten and pressure us on other matters using Article 301 as a weapon.

We should be reminded of the U.S. pressure on importing U.S. toxin (cigarettes) regardless of the strong public opposition. After they have been successful in one area, the United States will proceed to other areas.

We in Thailand must unite and resist U.S. pressure over drug patents, no matter how strong that pressure is. We must fight the big hoodlum outside (the United States) as well as its henchmen (Thai traitors) inside the country.

The amendment of the drug patent law would seriously damage Thailand's economic and social system as well as its national security.

The government and the Public Health Ministry should declare the following measures for enforcement in order to adequately control presently available drugs in terms of quality, proper usage, and reasonable prices. This is to prevent the public from becoming victims of drug companies as in the case of painkillers containing addictive

caffeine, and reduce U.S. pressure on Thailand to amend its drug patent laws. These measures are:

1. Adopt a national list of pharmaceutical products for the country, with a ban on the use of trade names, which should be replaced by the names of the drugs.

2. Control drug prices in the same way that the prices of other essential commodities are controlled.

3. Ban the advertisement of drugs and all forms of sales promotion.

4. Improve the registration of new medicine and reduce the categories of drugs already registered to make the list correspond closely to the national list of pharmaceutical products.

5. Authorize only essential drugs to be imported into Thailand.

6. Set up government and private-sector bodies to regulate the production, analysis, and evaluation of the quality and value of drugs efficiently and effectively.

7. Develop and standardize the local production of medicine so that Thailand can produce its own pharmaceuticals and active ingredients for local usage.

8. Promote the "buy Thai" sense, regarding the use of medicine, among executives as well as the general public in Thailand. [passage omitted]

## Commercial Shipping Sector Policies Discussed

### Official Views Shipping Law

91SE0215A Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 16 Mar 91 p 5

[Text] Mr. Sathian Wongwichian, deputy under secretary of communications, gave an interview concerning the disagreement of Mr. Amnuai Iamsuro, chairman of the Ship Owners Society, with the ministry's plan to issue a decree controlling shipping. Mr. Sathian said that this was an attempt to be fair to both sides and was not an attempt to set shipping prices.

This decree specified that when prices for ship transportation were established, both sides had to agree in order to avoid any advantage-taking with regard to increased shipping charges. Those operating the ships could announce increases in shipping charges, and if within 100 days there were no demands for talks, the new charges could be used. Such demands for both sides to hold talks could be made by the Association of Exporters and the Industry Association, etc.

The deputy under secretary said that this law applied to both domestic and foreign shippers. Even a foreign ship, if it transported goods in Thailand, had to observe Thai law.

Mr. Sathian also said that in the past the societies for large ships such as the Aennoera led in setting shipping



prices, and when those running small ships asked for price increases, exporters were taken advantage of. When this law takes effect, it will mean that both sides will be able to come to an agreement. If they are not able to agree, then a committee will be assigned to decide. The committee will come from the Office of Merchant Marine and the Ministry of Commerce, etc.

He said that he would submit a draft of this decree to the minister of communications for consideration, who would submit it to the cabinet for approval.

### IEA To Promote Shipbuilding

*91SE0215B Bangkok MATICHON in Thai 14 Mar 91  
p 4*

[Text] Mr. Somchet Thinaphong, director of the Industrial Estates Authority of Thailand [IEA], said that the Port Authority of Thailand had specified in its master plan that there should be shipbuilding and ship repair yards in the Maptaphut Industrial Estate and the Laemchabang Industrial Estate. Maptaphut, which was under the IEA, was ready to support the projects fully.

Mr. Somchet said that the IEA would help find land for the projects in the area of the Maptaphut Industrial Estate dock. They will require an area of about 200 rai [a rai equals about 0.4 of an acre]. The IEA would encourage shipping companies to use ships built in the country. In addition the IEA would try to use pilot ships and transport ships of 5,000 to 10,000 tons displacement which were made in Thailand and would support the right of private parties to import materials such as specialty steel to be used in these projects and other rights allowed under the law of the IEA of 1979. In addition, interested parties could request investment support from the BOI [Board of Investment].

Mr. Somchet said that the support of these projects would be advantageous for development in that they would provide the inputs for and would develop the ship building industry. The projects could use the ships domestically and could compete abroad with them. This would bring in foreign currency and would employ a

great deal of labor in addition to being in line with the master plan of the Port Authority of Thailand.

### Government Support Urged

*91SE0215C Bangkok BAN MUANG in Thai 20 Mar 91  
p 2*

[Excerpts] [passage omitted] The fees for transporting Thai exports and imports generally go to foreign shipping. Thailand is the greatest source of income for foreign shipping in Southeast Asia. It has had to bear the extortion of their freight and other fees for a long time. [passage omitted]

Under these circumstances the government should prepare to deal with the situation or to find a way to prevent this situation whereby we take all the punches. This means that we must be serious about providing more support for the Thai merchant marine.

The government has actually had a shipping business for many years, but the more business it has done the more money it has lost. It has lost so much that it almost cannot maintain itself. Maybe no one knows how much. There are a few small, private merchant ships which are able to make money, but they would not be enough to help if trouble developed with the foreign shipping.

The government should provide more support for this business and treat it as if it were important for the economy and trade. We could start with joint ventures with foreign shipping lines just as Thai Airways did with its international routes until they grew to where they could stand on their own.

The Thai merchant marine should be able to engage in joint ventures with shipping lines both outside and within the society. Thai shipping lines should carry at least 50 percent of the imports and exports carried by all shipping lines.

If this is not possible we should encourage Thai investors to expand the merchant marine. This will certainly require a long struggle because aside from the investment funds, we still have internal problems which interfere with the business of the merchant marine a great deal and which must be corrected.

## POLITICAL

### Some Guidelines for Party Congresses

912E0141B Hanoi HANOI MOI in Vietnamese  
4 Mar 91 pp 1, 4

[Article by Phan Dinh Su, deputy chief of the municipal party committee's Organization Department: "Things Grassroots Party Congress Should Pay Attention To"]

[Text] All echelons of party committees have been and are urgently guiding the convening of grassroots congresses and preparing for ones at their level.

By the end of 28 February, over 1,000 of 1,982 party organizations had completed the first round of the congress.

Some of the following points emerged in the congress of party members and congress of representatives in party organizations:

—Five documents have been put together for research and participation in three phases. Even though the political task regarding production and life demands intensifying leadership of the masses to ensure that work and production are on schedule, party committee echelons have had high determination and have arranged schedules and done preparatory work for the cadres, party members, and people. As a result, the number of party members participating is relatively high (from 85 to 95 percent, with many organizations achieving 100 percent). People participating as opposed to being summoned is at a high percentage compared with other activities. Ideas are fairly practical and specific for each kind of organization and each subject, and go directly into each of the party's documents.

Through organizations carrying out and gaining experience from very important preparatory work, one must be extremely specific about everything that must be done and the completion time, such as:

- Consolidation of views of party members and the people must be correct and complete; the party committee selects which issues, and many of the participating views still differ; whatever the issue in the party chapter and in the subjects of party members, there are many ideas that must be further discussed in order to be taken to and brought up at the congress. Only in that way can the congress have many views to express.
- Notification of the congress subjects, agenda, and times to party members and congress representatives is imperative and helps everyone to fully attend the congress.
- Arranging for party members, cadres, chapter committees, and party committees to examine Directive 59 and Decision No. 53 from the Secretariat of the CPV [Communist Party of Vietnam] Central Committee in order to firmly grasp the requirements, objective,

standards, structure, and new principles and procedures; to have unified realization in the course of accomplishing the agenda of the congress, there should be an atmosphere of stringency and schedules should be maintained.

- The operation of the presidium, the secretariat's qualification review committee, and the ballot examination committee must be prepared by means of specific documents and must avoid suiting convenience and making the congress tractable.
- Elections are the center of attention. We should fully guarantee principles and procedures, ensure democracy and the correctness and completeness of names of candidates and nominations, and do our best to avoid letting foulups bother representatives. Hence, introduction of standards and structure for representatives must be done extremely carefully so as not to be misconstrued as pressure.
- Publishing the decision to allot representatives of the higher level, not publicizing simply by word of mouth.
- Reading the introduction of the party committee echelon's candidates, introducing them also by documents to avoid citing this or that comrade. And for comrades introduced as candidates to attend the higher level congress, when the time comes to obtain views on running, these comrades must not raise their hands to ask to run as some places have done.
- Getting the views of congress on candidates and nominations, taking votes and closing rosters of candidates and nominations are extremely important and must ensure democracy while correctly ensuring principles simultaneously. Only after there is a roster is the ballot examination committee elected by vote of the congress.
- For any comrade to withdraw or not is up to the presidium of the congress, which reports to the congress; it does not ask the nominee. (Per decision No. 53 QD/TW dated 17 May 1988 from the Secretariat of the CPV Central Committee.)
- The presidium must obtain the views of congress on whether there should be elections of alternates or not and how many.
- The election ballot must be arranged in alphabetical order, A-B-C- and so on. Avoid making the representatives react by putting at the top of the ballot those representatives introduced by the higher level and putting at the bottom those representatives run and nominated by congress.
- The ballot review procedure is very important. If not given attention it is easy to lose time due to mistakes. On the other hand, it is easy to cause undeserved consternation for the representative. Recently, a number of places publicly announced results, then representatives spotted errors, something that must be

strenuously avoided. It is therefore necessary to select comrades who know how to do work well.

In guidance it is necessary to devote attention to the following:

The discussion portion at the congress must somehow operate, ensure, and concentrate on the contents of the five documents without restricting democracy. Thus, any representative who digresses should be reminded at once. The election portion must somehow ensure democracy and structure but not be pressured in nature.

Preparation of presidium forecasts should pay attention to comrades who know work well.

Attempt to let representatives speak who have signed up to speak, not because limited time makes representatives misunderstand.

When reviewing the congress, the presidium should evaluate the results of the congress, cite contents and proceedings that need more or less, suggest amplification, and suggest problems that still have differing views. Only after that will you uphold the specific action program of your organization in order to celebrate the Seventh All-Vietnam Congress.

### Article Favors Socialist Direction, Renovation

912E0156 Hanoi NHAN DAN in Vietnamese  
22 Mar 91 pp 1, 4

[Article by Professor Dao Hong Nam: "Following the Already-Set Direction or Changing the Direction?"]

[Text] The red thread that links the entire draft program is the question of the already-set socialist direction and renovation. The Vietnamese people are determined to follow the road selected by Uncle Ho to move toward socialism. At the same time, with the people's wishes, with the lesson of history, and with the latest achievements of the modern scientific and technological revolution, our party advocates an **absolute renewal of our perception of socialism**. The already-set socialist direction and renovation are two facets of the same issue. The already-set direction is for renovation; renovation is for affirming socialism. We understand socialism in that sense.

It is true that there are people who advise our party that at this time it should discuss only renovation, discuss only the ways to resolve urgent issues, and "try not to hurry and instead to boldly postpone its immediate and long-term goal, namely, socialism." According to these people, socialism has collapsed in a number of countries; in some other countries, it has to be rebuilt from the beginning; as to "famous scientists and academicians who have studied all their life and are well versed in the theories of Marx, Engels, and Lenin and other models, they currently cannot answer the question, 'What is socialism?'"

As they first hear it, it is easy for people to believe that this separation has resulted from feelings of excitement in the face of the country's difficulties, which they think the party, the bearer of the largest share of responsibility, has not paid enough attention to, nor has it seen and understood them as clearly as they have. In a methodological approach, feelings should be superficial, but anyway constructive and positive factors are deeply imbedded in these feelings. But as we go more deeply into the content of the motion, the separation of renovation from the already-set socialist direction is not a superficial expression of the sentimental mind, nor a vacillation in socialism, but rather a way of raising the issues, with bad intention in mind, in a kind of program that we cannot accept. As they analyze the situation of the country, they think that the principal contradiction today is **the question of organization**. They say, "The principal issue that the seventh party congress must face is not the program, but how to resolve the question of organization. And organization, in their opinion, is 'party leadership' and the fact that 'the supreme leaders try to hold the old positions.' Therefrom their 'dream' is that 'the party returns all power' to the elected organs and the state, and in the course of materializing it, dissolves a series of organs subordinate to the Central Committee, as well as to local party echelons, and returns to the state a series of houses." They demand that the party abandon its leadership and that its supreme leaders voluntarily give up their positions. They foresee that "private economic activities will expand; international companies will invest"; "domestic and foreign capital will jointly exploit our resources and use our labor." They think that "the social system in the developed capitalist countries today, which we wrongly call 'bourgeois democratic countries,' after 200 years must be more correctly called 'people's democratic countries' to show the direction of their progress."

By now the true intention of the separation of renovation from the already-set socialist direction in their motion has been clearly shown. Renovation, in their opinion, is no longer part of the already-set socialist direction, but renovation is instead linked to change of direction and has become an inseparable facet of the change of direction, from the already-set socialist direction to the already-set capitalist direction. This is a suggestion about a change in the program, more correctly a suggestion about **abandoning the program**. This motion, which is said to be "very heartfelt," in reality remains a strange thing to us. On the other hand, it conforms to Western taste. Therefore, it is understandable that motions of this kind would quickly be broadcast by Western radio stations, which repeat them one after another, just as "birds of a feather flock together."

Vietnam has taken the socialist road selected by Uncle Ho more than half a century ago. By taking this road our people have voluntarily vowed to struggle hard and to bear unavoidable sacrifices, but we have regained independence and freedom. We are determined to continue this road in order to regain the ownership right of

working people, prosperity, wealth, and happiness for the nation. With this road, we know that, in order to have achievements, we must certainly encounter difficulties and losses, including, in addition to objective losses, the ones that result from our inferiority. There is no glory that does not require physical and intellectual energy. The road taken by the people of the fraternal socialist countries, who were ahead of us, has been the same way. The old socialist model had weaknesses and errors, but it was far from totally wrong. Realities indicate more and more clearly that blaming all the collapses in a number of East European socialist countries on the old socialist model is unfair and remains a matter that must be discussed and that awaits a response from history. Even in the Soviet Union, the Communists are not biased and refuse to blame the various aspects of the current crisis on the old model. In the past, in a period of immaturity, we were afflicted by the ill of being extremist and viewed socialism through a rosy glass; now we should not be caught in another extremist tendency and view socialism through a dark glass. The Soviet Union, four years after the start of reforms, and East Europe, a year after the East European events, make us more resolute toward socialism and make us have a more mature way to handle renovation.

It is true that there cannot be yet a perfected socialist model. This model cannot appear only in the book. But, with the Marxist-Leninist and beloved Uncle Ho's thoughts, with the experience of the socialist countries, including our own, with the experience in social organization in Western countries, and with achievements of the modern scientific and technological revolution, our party will be able to set the direction for socialism in Vietnam as set forth in the draft program, to which all our party and people are contributing their ideas. Socio-economic organization will take what form; how will it be built in the future; how will it be developed? Daily life will provide the answers. One thing we can strongly believe is that the socialist system that we are building will surely be the social system **owned by the working people and not ruled by the exploiting class**. This system is based on a highly developed economy and an advanced patriotic culture; each and every person leads a life of plenty, freedom, and happiness, and enjoys the conditions for total personal development; social justice and democracy are guaranteed; the nationalities within the country are united, help one another, and maintain friendly relations with other nations in the world.

We believe that that is the necessary tendency for Vietnam and also for progressive mankind. Our party is the vanguard unit that follows this tendency in our society. Its interest is the system of ownership of the working people, and it vows to remain the driving force behind it. In the course of leading the Vietnamese revolution and in the renovation, our party has scored successes, but has been unable to avoid mistakes. It has criticized itself and made corrections. With the responsibility entrusted by the people for being the force that leads our society, it objects to having special interests

and privileges, but it needs to have the economic and political conditions for carrying out this responsibility. This is a reasonable thing.

With revolutionary backgrounds lasting more than half a century, with participation by many generations, our country's highest-ranking leaders are old people—this also is understandable. This is not peculiar to Vietnam. The question is prestige and leadership capacity, which the people who are very clear-sighted always can tell and nobody can put pressure on them. It is true that in the developed capitalist countries, after more than 200 years of struggle by the working masses, democracy is more perfected. Things are proper not only in the superstructure, but also in the economic bases. That is something that conforms to the law. There is nothing to worry about the development of capitalism and about its further perfection. What is certain is that the basic contradiction between the system of private capitalist possession of the means of production and the socialized nature of the productive force cannot be resolved by itself within the bourgeois system, even if capitalism is perfected. But revolution in each country is carried out by the people of that country. Each and every nation has the right to determine its own political system. The Vietnamese people appreciate the value gained by the people of capitalist countries. Even so we still believe that capitalism is no longer the future of mankind. In Vietnam, capitalism is no longer a fine choice. Therefore, **the road of capitalist development is unacceptable**. The already-set capitalist direction is surely rejected.

In Vietnam, there can only be renovation in the already-set socialist direction and socialist renovation. The scheme for a change of direction is being encouraged by the West but will surely fail.

#### **Party Defended Against Charges of Dogmatism, Leftism**

912E0153B Hanoi NHAN DAN in Vietnamese  
25 Mar 91 pp 1, 4

[Article by Thuan Thanh: "Dogmatic or Creative?"]

[Text] I advocate Binh Minh's opinion which appeared in NHAN DAN on 23 March and reject the kind of judgment charging that "the dogmatic 'leftist' line, which was adopted by the 1930 Political Program for leadership in the last 60 years calling for using the class struggle and extreme leftist proletarian dictatorship as the leading ideology for our country's entire revolutionary process, has caused serious harm."

This judgment is not true to the **real nature** of the revolution led by the party.

In the entire period of 1930-1975, with the overall task of liberating the nation and reunifying the fatherland, the party had to continually settle the relationships between social classes and nation, between principles and tactics, between basic goals and temporary interests, and between rigid positions and compromising measures

under extremely complicated circumstances in the domestic and international situation. As it dealt with such relationships, there were times, issues, and places where it made dogmatic mistakes, but basically it showed a creative spirit based on actual historical conditions. The struggle slogans and measures did not cease to change in time to make the revolution overcome any difficulties and move forward in a steady manner. There were times, issues, and places where the party made "leftist" mistakes (and also rightist mistakes), but basically the positions and policies that it had set forth conformed to the objective laws and received broad acceptance from the people.

If the revolutionary line in all those years had been mainly dogmatic and "leftist" (or rightist), we would have had a hard time explaining why that line later led to success in the August Revolution, victory in the war of resistance, liberation of the nation, and reunification of the fatherland.

If we thought that the party had been using class struggle and extreme leftist proletarian dictatorship as the leading ideology for the entire Vietnamese revolutionary process, instead of national solidarity as the revolutionary strategy, how could we explain why the party, with only 5,000 members, was able to seize power in just a week's time throughout the country, from north to south? How was the party able to stay in power under the circumstances of enemies existing both inside and outside the country, and of utmost difficulties in the years of 1945-1946, and still to score "a Dien Bien Phu victory nine years later"? How was it able to have sufficient forces "cutting across the entire Truong Son mountain range for national salvation" in all of the 20 years that made the people who lost the war never forget, even today?

In the stage between 1975 and now, in which the leading task was to make the country prosperous and strong, the party had to handle a series of newer and more complicated problems than the ones that existed in the period of war, it was true that mistakes arose from subjective voluntarism and also dogmatic and "leftist" manifestations found in the socialist construction model.

But, objectively speaking, in the 1970's, mankind had only one kind of socialist model, the one that was being achieved in the Soviet Union and China. Because our country came later, it had to look to the ones that went ahead of us, and in the beginning it could not help having confidence in that model. That was the historical limit.

But we must point out that the party line, which was affirmed at the fourth party congress and adjusted at the fifth party congress, succeeded in outlining the basic aspects of the road to be taken to move forward. Since the Sixth Plenary Session of the CPV [Communist Party of Vietnam] Central Committee (fourth term) in 1979, our party had been gradually devising a way to renovate things that reflected independent thinking, creative attitude, respect for the objective law, Vietnam's realities,

and the people's aspirations. That was a courageous and totally responsible step. Then at the sixth party congress, the line on renovation was officially affirmed. In the last four years, it was quickly brought to bear on everyday life and began to yield obvious results.

In the course of devising the line on renovation and promoting renovation, there appeared within the party and in society a new dogmatic tendency to praise and mechanically copy the kinds of reforms taking place in other socialist countries. But the party was able to detect it early and to effectively stop this deviation so as to maintain the right direction and steady progress of the renovation.

In short, in both the stages of resistance and construction, the main characteristic of the party line was its creative and scientific quality. The dogmatic and "leftist" mistakes were local, secondary, and temporary; were discovered early; and were overcome in a relatively timely manner.

If we want to have a correct judgment of the characteristics of Vietnam's revolutionary line, we must have correct views and methods. These involve examining this line in the entire history of devising and developing it, without cutting it up into pieces or separating individual facts or gathering only the desired phenomena in a subjective manner. It means going from all the relevant events into the **real nature** of things; it means we must compare the original documents (which often are not perfect and easily involve dogmatic and voluntaristic factors) with all of the **adjustments** in the course of conducting the revolution and the final **results** of the line.

If we examine Vietnam's revolutionary line in such an objective manner, without any prejudices whatsoever, and with good will, it will be totally impossible for us to arrive at a generalized opinion on a dogmatic "leftist" line leveled against us by those people who deliberately want to criticize us.

In order to prove that our party has systematically followed a very harmful dogmatic "leftist" line, they usually list a series of historical facts, such as premature uprisings, violent reforms, phases of heavy-handed reeducation, arbitrarily imposed urgent transformation campaigns, cases of mishandling individuals, and so on.

To argue that way cannot be considered scientific and responsible, for people can always find an example to prove any point they want. Only by making analyses in accordance with strict scientific standards can we hope to draw accurate conclusions.

Let us review a number of historical facts that are often cited. Did the Nghe Tinh Soviet movement make dogmatic "leftist" mistakes? Yes, but they were not basic ones, nor did such mistakes occur in the entire movement. The basic and correct aspects of the movement were the fact that it put in the right position two basic social classes in the very first exercise of the Vietnamese

revolution to assert the force that would constitute the foundation and determine the destiny of our country. The mistakes were the dogmatic judgment and "leftist" attitude toward a number of other strata of the population, which actually prevented a rallying of all of the forces that could be rallied. But the mistakes were immediately discovered and, generally speaking, they would not be made again in the entire revolutionary process that ensued. Workers and farmers continued to play a hard-core role in a front that successfully rallied all patriotic Vietnamese.

Did the agrarian reform commit dogmatic and "leftist" mistakes? Yes, but its basic objective was attained. The mistakes were criticized and sternly resolved, with true corrections made. At the same time, the achievements of the "agrarian revolution" were kept intact.

Heavy-handed reeducation also was an example of copying what had been done by other countries. But experience was quickly learned from it, and it was not repeated in later ideological activities.

In the conception and conduct of the class struggle there also were dogmatic manifestations and "leftist" deeds. But, back in the early 1960's, our party officially adopted an independent concept suitable for our country's class relationships and refused to be drawn into the extreme "leftist" class struggle policy that prevailed here and there in the international communist movement. With the concept of "the class struggle in our country, by its true nature, is to move the small-scale production to the socialist large-scale production," we have lent a positive correct content to the class-struggle concept and have eliminated its extremist and "leftist" interpretation.

The same was true with the concept of proletarian dictatorship, for we pondered, searched hard, and refused to copy. There was a new, very new concept: "Proletarian dictatorship in our country, by its true nature, is to make the working people become the masters of society," or, in other words, proletarian dictatorship would really be the working people's ownership right under the party's leadership.

In the course of achieving cooperativization we also made dogmatic mistakes and acted too impatiently. But on the plus side of the cooperativization were the good social and rear-area policies. This achievement is more meaningful today and must be kept. As to correcting the dogmatic behavior, our country is one that very early applied the contract mechanism to agriculture and that created the great liberation of the productive power and farmers.

In short, even if we add up all of the dogmatic and "leftist" mistakes, we will not find enough evidence to conclude that the dogmatic "leftist" line was the one that had been affecting the Vietnamese revolution for the last 60 years. There were dogmatic and "leftist" shortcomings, but the basic side of the line was creative and scientific.

### Article Comments on 'Right,' 'Left' Lines

912E0153A Hanoi NHAN DAN in Vietnamese  
23 Mar 91 p 1

[Article by Binh Minh: "'Leftist' or 'Rightist' Line?"]

[Text] One of the issues related to the draft program that many people are concerned about is **the lesson of the Vietnamese revolution**. Quite a few people have suggested getting more comments or exchanging ideas in order to have a more profound understanding of each and every lesson, particularly the lessons on mistakes and shortcomings. This is understandable because the great majority of cadres, party members, and the masses hope that, if our party, in the role of leader, were to make fewer mistakes, it would score more achievements in revolutionary work. These heartfelt opinions are very welcome.

There is one kind of opinion that certainly is not aimed at constructive purposes because it has been brought forth in considerably angry tones by the Western media. It suggests that we must first of all mention "an extremely important lesson to be learned by the party (which) is the ill of being dogmatic, leftist, and immature," a source that gives rise to other ills. They have cited nearly half a page of examples, beginning with "Tran Phu's thesis, showing that the class struggle and extreme leftist proletarian dictatorship served as the leading ideology for the entire revolutionary process" and ending with "the hurriedly launched uprising movements, the bloody agrarian reforms, the waves of violent political purges, reeducation, and reorganization," as well as "urgent cooperativization in the south, general adjustment, and so on." They conclude that, in the entire period of more than 60 years in which the party has assumed leadership over Vietnam's revolution, in any stage and at any time there was proof that the party line "always bore the dogmatic and leftist seal" and that such mistakes "caused great losses of life, money, productive force, sweat, tears, blood, and talent, and had created lasting instability in society, the harmful effects of which have remained until now."

Totally opposite to the above-mentioned opinion, another one says that the principal mistakes the party made in the revolutionary leadership were rightist ones: Being rightist in its cadre-related work and abolition of social classes; making concessions to imperialism; repeatedly being ambiguous and failing to maintain vigilance toward the enemy; neglecting the dictatorship, law, and order, and thus allowing the politically and morally bad elements to destroy society; being rightist in its internal struggle, and so on.

What is the truth? Our party, in the course of leading the revolution, has repeatedly analyzed and evaluated its mistakes and shortcomings. It did not wait until today to act; it made timely criticisms and corrections each time it stumbled and fell: That was why it succeeded in reducing losses and scoring proud victories. In the period when the party was still underground, an outstanding

book having great leadership and educational value was *Tu Chi Trich* [Self-Criticisms], written by General Secretary Nguyen Van Cu. After the victorious liberation of the north there appeared the party's stern self-criticisms and determination to correct its mistakes in the agrarian reforms. Recently came the serious criticisms and reviews at the sixth party congress, which adopted therefrom a policy calling for total renovation and the determination to implement it.

After having reviewed the mistakes and shortcomings in the various aspects of the party's work, the Political Report at the sixth party congress also identified the tendencies leading to those mistakes. They were bourgeois tendencies, both "leftist" and "rightist." It was obvious that our party had not tried to deny the mistakes, whether they were "leftist" or "rightist." But one thing was clear: No matter whether they were "leftist" or "rightist," those were mistakes and shortcomings that were committed at specific times and in specific matters, and it absolutely could not be said that the mistakes were inherent in the party line.

To conclude that the party line that had existed for more than 60 years was boiled down to the words "dogmatic, leftist, and immature," and to indict the party therefrom obviously was to maliciously distort the truth for no other purpose than to totally deny the revolutionary line of our party. I should think that we do not need to mention all of the victories that our people have scored under the leadership of the party in the last 60 years, which include the ones that will forever be inscribed in the history of mankind and the ones that the enemy still deeply resents because he has not yet overcome the inferiority complex brought about by his defeat. Those victories are the August 1945 Revolution, which overthrew the colonial and feudal system and regained power for the people; the brilliant success in protecting the victory of the young administration against the savage enemies who wanted to regain power in 1946; the great victory in the spring of 1975, which took back the entire country from the richest imperialist country in the world. Those victories are the important results obtained in the process of renovation in the last few years; and if we like, we may say that they are the party's self-criticisms and self-renovation, which naturally cannot be characterized as "dogmatic, leftist, and immature." A party cannot be creative, nor can it succeed or even exist, if "its entire revolutionary line" is afflicted by the above-mentioned ills. As to our party, not only must it fulfill difficult and complicated tasks on a regular basis, but it also must continually fight against many savage enemies. Our party's line is a Marxist-Leninist one, creatively adapted to our country's conditions, the one that President Ho Chi Minh outlined and that has been followed in accordance with Uncle Ho's thoughts.

For more than 60 years the party has been leading the people and making sacrifices and struggling along with the people; in the face of great challenges and ruthless enemies, the fact that it has sometimes suffered from temporary and local failures is just inevitable. However,

its line and the realistic results obtained in following this line are historical facts that are fully open to all of us. How can we say that the brainpower of the party and our people has made no contributions to theoretical development, or has not been creative at all?

Our country is facing many difficulties and challenges. More than ever the destiny of our people is closely linked to that of the party. The people hope that the party follows up on its victories and lessons of success and, at the same time, strive to overcome its mistakes and to renovate things and continue to lead the people toward successfully building socialism in our country.

Those who think that they can win the people's hearts by distorting the party's line to the extent of denying its leadership role and demanding the overthrow of this leadership certainly are dead wrong, as they have been wrong in the past.

### Continued Transition to Socialism Supported

912E0151A Hanoi NHAN DAN in Vietnamese  
16 Mar 91 pp 1, 4

[Article by Professor Vu Huu Ngoan of Marx-Lenin Institute: "Contributing Ideas to Seventh Party Congress Documents—People's Democracy or Socialism?"; passages in boldface as published]

[Text] The political program that our party will consider at the seventh party congress, according to its draft, is entitled, "The Program on Building Socialism in the Transitional Period." The many different forums that were held to discuss the matter have brought about many suggestions—dozens of them at the beginning, and now nearly 100—to change the title of the program. Although these suggestions are different, the core of the matter remains this, should we build socialism in our country or not?

As we talk about socialist construction, transition to socialism, or taking the socialist road, these are different ways to say the same thing, which boils down to selecting the **socialist system**. Such a selection is made by the majority of the members of society and is based on sound political thinking and the price of the sacrifices paid by many generations; it does not represent a temporary sentiment expressed on the spur of the moment, nor an irrational blind action of followers.

However, there still are people who think that the selection has been hasty, that it cannot exploit the country's potential, and that it fails to win outside assistance; these people then suggest that our party and people go back to the "system of people's democracy"! This suggestion is easily mistaken for being clear-sighted in form and steps, but it actually refers to a change in the revolutionary strategy, an extremely great and important matter, which we cannot accept.

"The people's democratic system" was a revolutionary stage that we had gone through and was of a higher order



than that of the colonial and semifeudal society that had existed for centuries in our country. If we correctly understood its historical role, we would, on the one hand, easily decide that we should not go back to that stage and, on the other hand, we would appreciate, use, and further promote its achievements so as to eventually enter a stage of higher order.

On the evolutionary path of the history of mankind, the task of overthrowing the feudal system, nationalizing land, liberating farmers, and carrying out the new enterprise formula weighed on the shoulders of the bourgeoisie and led to a higher socioeconomic form, or capitalism. That really was a major revolution, which we often called the bourgeois democratic revolution or **old-style democratic revolution**.

Under actual conditions, from the second half of the 19th century on, our society no longer was a feudal one, but had become one that was half colonial and half feudal. Two closely related basic contradictions then appeared: One was the contradiction between the Vietnamese nation and imperialism, and the other was the contradiction between the working people, especially farmers, and the landlord class of our country. Consequently, to fight imperialism for the purpose of achieving national liberation and carrying out the slogan of national independence and to fight feudalism for the purpose of liberating farmers and carrying out the slogan of land to the tillers had become two basic and closely related tasks of the revolution. And the historic fact was that the revolutionary banner bearing the democratic character had been given not to the Vietnamese bourgeoisie, but to the worker class, with the latter's vanguard political party, the CPV [Communist Party of Vietnam], being assigned the leadership and organizational mission and the people as a whole serving as its motive power. Such a revolution no longer belonged to the category of old-style democratic revolution, but rather to the new-style one, which was called the **people's national democratic revolution** in our country. Another historic Vietnamese characteristic was the fact that the people themselves had been using the administration to continuously carry out the new democratic revolution, i.e., the people's democratic revolution, from 1945 to 1975 by means of the agrarian revolution and two wars of resistance against aggression.

Since the great victory in the spring of 1975 and the country's reunification, basically speaking in our country there has been no more historic task like the people's democratic revolution in the past, or people's democratic system, as we described it earlier.

It is very likely that few people think in a simplistic manner that the adjective, socialist, in a country's name means that country has socialism. Exactly as V.I. Lenin said about 70 years ago in Russia, when the country is declared a socialist one, it only means that we declare that we take the socialist road, that we start socialist construction, and that we are ready and determined to build socialism.

Our people understood and defeated the old colonialism, a product of the old capitalism. Our people have also understood and defeated neocolonialism, a product of modern capitalism. Having accepted the extremely great sacrifices of so many generations in order to arrive at the victory of the people's national democratic revolution, our people certainly do not aspire to aim at taking the road to capitalist development, although we must know how to use and inherit the degree of human civilization that capitalism has achieved. Our people have selected a new society that President Ho Chi Minh spent a great deal of time looking for. So far we are calling this new society socialism.

Although the old model has weaknesses and shortcomings, it is not all bad. Although the new model does not exist yet, it is not totally hidden in darkness but rather is making its gradual appearance in the process of renovation. We are talking about socialism in such a state of movement and development. By keeping what is right, correcting what is wrong, and adjusting what is no longer appropriate, we still can walk the road of socialist construction. The realities of the four years of renovation, with achievements and new complicated aspects being closely linked with this process, are extremely valuable. **We must know how to affirm things in order to renovate them, and to renovate things in order to affirm them; we must know how to affirm by means of renovation, and to renovate by means of affirmation.** If we ponder in a calm and clear-sighted manner, we will find that the events in Eastern Europe and the year that passed there following those events, could not make our minds waver, but on the contrary, they would harden and make us stronger, on the one hand forcing us to be more resolute, and on the other hand, helping us to become wiser in our conduct.

The CPV, in the capacity of the political vanguard of the worker class, the working people, and the nation as a whole, has in fact criticized its own serious mistakes and failures having to do with many things ranging from concepts to form and steps in such fields as reform, industrialization, and economic and social management, and therefrom has suggested the line on renovation of socialist construction in our country.

**One of the most substantial aspects of the line on renovation in our country is the fact that we reconsider a number of issues and adjust our steps to slow the pace.** Our party and people have indeed been slowing down, prior to all the suggestions. We have also become aware that to go slowly means to go more correctly and steadily, and hence is the quickest way to go. Even now we are confirming that we are still in the period of transition to socialism, again we cannot say how many years it will take, except for saying that it will go through many stages and that even the duration of the first stage cannot be predicted. The transition itself, the correct progress of the transition, and the way we conceive this transitional period all imply a factor of slowing down. We accept going slowly and steadily, but not going backward.



The lively political picture of the world still demands a keen distinction between **the form of the state and the class content of this state**. Some countries bear the names of certain kingdoms, but in reality they are capitalist countries, even highly developed capitalist countries. Others bear the names of republics, but in reality they are socialist countries. Still others, whose task of protecting and maintaining the administration remains a very demanding one, deserve the names of "people's republics" or "people's democratic republics," for they correctly reflect the content of the class struggle there. And others, despite their "democratic republic" or "people's democratic republic" form, show a socialist revolutionary content. It is obvious that the form of the state, whatever it may be, is determined by the actual conditions and situation of each nation, each people. What is important is not to mistake the form for the content and not to forget the real strategic and revolutionary nature of each stage, each nation. **In our country today, there is no need to apply a form of the state different from the true nature of socialist construction.** Let us persistently carry on the renovation by starting with the political stability category and, in addition, let us pursue total renovation of the socialist construction in our country. What about the concern about exploiting our domestic potential and winning foreign assistance? This concern has no real bearing on the form of the state, but it is decisively related to the policies that originate from our economic interests. We are struggling to get policies that are more and more correct every day.

### Columnist Discusses Current Difficulties

912E0164A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 31 Mar 91 pp 1, 4

["Sunday Forum" column by Pham Minh: "The Difficulties Are Severe, But There Is a Way Out"]

[Text] Our party and state have clearly explained to the people the socioeconomic difficulties of 1991, so that everyone and all localities and basic units can know about them in advance, be concerned with them, find ways to overcome them, and continue to carry out renovation and attain increasingly higher goals. Regrettably, however, many people at present, including a considerable number of cadres and party members, overemphasize the difficulties, express excessive worry, and believe that the nation is facing impasses that cannot be overcome. Because of those views there have appeared in one place or another such unwholesome acts as holding back goods, raising prices, hoarding materials, and creating artificial shortages. They have also caused considerable harm with regard to ideology. Taking advantage of the present difficulties, enemies are seeking ways to exaggerate things in order to frighten our people and weaken their confidence in the party.

What, then, is the true nature of our present difficulties? Can we overcome them? With regard to those questions, it is entirely possible to affirm that the present difficulties of our country are very great, but the difficulties in

our upward development, although considerable, are not impassable and it is not true that there is no way out.

Our country's present difficulties are completely different from those in the 1980-85 period. The difficulty at that time was that we had not yet found a rational mechanism for escaping from the vicious cycle of paying salary supplements and increasing prices, the results of which were that inflation steadily increased, production did not develop, and goods were scarce; an imbalance was created between supply and demand and the people's lives were still difficult, even though at that time we received a considerable amount of international aid in materials and capital. Furthermore, during those years we also had war stocks from the two regions added to a considerable quantity of materiel. At that time, society practically relied on those "sources of capital" to exist. But at present the greatest difficulty, of which everyone is aware, is that we do not yet have sufficient capital to meet the requirements of developing production at the increasing rate of the past several years. That is further proof that we have difficulties, but they are difficulties in our upward advance and are not permanent difficulties. Even less are we in a deadlocked situation from which there is no escape. The difficulty today is that there are many goods but there is little consumption capability, which is completely different from the difficulty of the past, when there were no goods to buy. A small number of people in rural areas and salary earners are experiencing true difficulties, but many people complain of difficulties because of increasingly greater life needs. What, then, is the basis on which to overcome those difficulties?

First of all, the most important results of renovation we have achieved are finding a rational economic mechanism, bringing into play the strength of the entire population, and exploiting all latent capabilities of the economic components. Clearly, today there no longer exists the situation of all people, basic units, and localities just sitting around waiting for the state to aid them. Now they know how to provide for themselves. With dynamism on the part of the basic units and localities there are no difficulties that cannot be overcome. We know that the present difficulty is a lack of capital, but there is still a great deal of capital among the people. Recently, many basic units and localities instituted many joint ownership forms and have mobilized tens of billions of dong from the people to invest in developing production. Those are real sources that have been opened up. There are also sources of capital from foreign investment and from capabilities to develop our country's natural resources, as pointed out in the report of the Council of Ministers. Furthermore, if there were a correct price policy and rational management the present backlog of unsold goods could be sold rapidly. That would also be a considerable source of capital. The important thing is that the state must take resolute steps to counter the smuggling of goods into the country. We must also set suitable prices for goods produced in Vietnam and encourage the people to be conscious of using domestically produced goods. The termination of international

aid absolutely cannot be regarded as the greatest difficulty. We must agree unanimously that, in accordance with laws of development, sooner or later we will have to terminate that aid. We must replace aid with cooperation beneficial to both sides. Only that forum of long-range cooperation is in accord with the laws of development.

However, in view of our country's present difficulties, in addition to the problem of a lack of capital to meet the needs of socioeconomic development there is also the problem of negative phenomena in the economic activities and in social management. The phenomena of corruption, smuggling, tax evasion, the production of imitation goods, and so forth, have not yet been overcome, which has further exacerbated the present socioeconomic situation.

In the course of development of our country's revolution over a period of more than half a century, our people have passed through many phases full of difficulties and challenges, threatened often by both internal and external enemies, as if the nation's destiny were like a thousand pounds hanging by a thread. But, with the unified strength of the entire population, our party led the people in manifesting a spirit of independence, autonomy, and self-reliance. We overcame all difficulties and challenges, developed the revolution, and won one victory after another. Today, the new difficulties that have arisen are no less severe and complicated, and our enemies are still trying to exploit them in order to attack us. But with the experience we have gained and with the course that has been set, our people are certain to pass through the bottleneck of 1991 so that, in the future, we can create the momentum, position, and strength to lead our country into a period of stability and higher development, and achieve a rich population and strong country, as our beloved Uncle Ho desired.

#### **Security Task Serving Renovation**

912E0150B Hanoi NHAN DAN in Vietnamese  
27 Mar 91 p 3

[Article by Duong Thong]

[Text] The sixth party congress opened a new stage in the Vietnamese revolution: The entire country has begun an all-round and profound renovation in all spheres. Concerning security work, the Politburo issued Resolution No. 7, and the Council of State's Directive 60 promulgated the Law on Security Forces and the Law on Organizing Investigative Organizations. The Council of Ministers issued Directive 135 on maintaining order and security in the new situation.

With a thorough understanding of the resolutions and directives of the party, state, and ministries, in the past period, counterespionage work has made positive changes, contributed to maintaining political security and order and preserving the fruits of the revolution, and provided good support for the economic and social development of the country in the new stage.

The main change has been the renovation in understanding concerning security work in general and counterespionage work in particular. Based on the new viewpoint concerning national security, the position, role, and tasks of security work have been clearly defined. Security work has been tied closely to the political, foreign economic, and cultural and ideological spheres, and pure occupational thinking has been overcome. Based on this, a relationship has been established between the security forces and the sectors concerned in maintaining the security of the fatherland using the masses as the foundation. This has been done based on the viewpoint "use the people as the root" in order to build a people's security front. As for the requirements of supporting the open-door policy in order to cooperate economically with other countries, developing a multifaceted economy, and expanding democracy within the country, security work has made certain advances. Together with the foreign affairs, naval, foreign trade, and civil aviation sectors, this sector has examined stipulations on immigration and emigration and the control of foreigners, revised stipulations that are no longer appropriate, and proposed regulations and stipulations in accord with the new situation. Because of this renovation, the inspection and examination procedures are faster and there is less inconvenience for those entering and leaving the country. At the same time, stability has been maintained. People here and abroad have welcomed this, and this has created favorable conditions for foreigners and overseas Vietnamese to come and invest in Vietnam, which is in accord with the party's and state's policy of renovating and expanding the foreign economy.

In the face of the profound changes in the world political situation, the all-round crisis of socialism and the aggressive activities of the imperialists and international reactionaries aimed at destroying socialism and restoring capitalism have had a negative effect on Vietnam. In this situation, security work has responded quickly and made important changes. The struggle targets, including external enemies and internal enemies and opponents of socialism, have been redefined. Based on this, the policies, measures, and attitudes in security work have been promptly studied and renovated. As a result, in the campaign against crime, the security forces have concentrated on and dealt strong blows to the ringleaders, reduced the scope of the targets, and limited their capability to carry on activities. Things have been actively coordinated with the forces concerned to surround and eliminate those who violate our borders. The activities of a number of foreign targets that violate our national security laws have been stopped, and a number of cases of people sneaking into the country in order to establish an alliance from within with the aim of carrying on disruptive acts and gradually toppling things have been discovered. In coordination with the committees and sectors, the security forces have strengthened education, corrected outmoded manifestations concerning ideological viewpoints, struggled against ideologically destructive activities, and neutralized the propaganda

lines of the enemy. They have used the integrated strength of the measures in the struggle, coordinated the means of information and propaganda to mold public opinion, and reduced the factors that can cause instability. They have given attention to reviewing the occupational seminars in order to supplement theory, support instruction at the security schools, and improve the quality of the occupational measures.

In order to manifest integrated strength in maintaining national security, the security forces have formulated counterespionage plans for the key locations and responded promptly to unexpected situations. They have manifested a spirit of active offense and defense, which has brought clear results.

In general, the renovation of the work and combat activities of the security forces has taken an important step forward and has contributed to maintaining the security of the fatherland and creating favorable conditions for renovating the country in all respects. However, in the face of the requirements of the new situation, we have discovered many weaknesses in the professional and specialized activities. The political and professional standards of the ranks of security cadres are not equal to the tasks.

The international situation is still very complex, and this is having a bad effect on our country. Renovation has scored initial achievements, but the country is still in an economic and social crisis. The political, economic, and social situation is still very complex, and there are still many factors that can cause instability and many urgent problems. We have had to put up with many pressures from many directions, and we will have to continue doing so. Internal and external forces will make full use of the above situation in order to strengthen their activities aimed at destroying the Vietnamese revolution, particularly during the period of the seventh party congress.

The party and state are holding fast to the renovation line. The requirements for security work in 1991 and the coming years are to maintain political stability and limit as much as possible the negative effects from outside. The ideological front must be actively solidified. The work of maintaining economic security must be strengthened, and special support must be given to the economic development policy. Favorable conditions must be created for successfully hitting the 1991 economic and social targets. Security work must support the implementation of the policy of living in peace and friendship and expanding relations with other countries according to the motto "make more friends, reduce the number of enemies." We must strive to gain the sympathy and help of the international community, break out of our isolation, support the strategy of national solidarity, resolve the internal conflicts, prevent the enemy from making use of these conflicts, narrow the scope of resistance, and prevent the bad elements and opportunists from joining forces with each other and forming ties between people within and outside the country. The emphasis must be

on good internal defense. Also, attention must be given to building the forces and rear area, ensuring combat, and completing the tasks in the new stage.

In order to fulfill the above requirements well, the security forces must carry out the following tasks well: They must grasp the situation and promptly discover the plots and new modes of operation of the various types of criminal activities (intelligence and espionage activities and reactionary activities among the religious and ethnic minority groups and the enemy elements within). Attention must be given to grasping the situation on the economic, cultural, and ideological fronts and the complexities among the people. Based on information obtained from various sources, the security forces must concentrate on analyzing and evaluating things and making accurate predictions in order to conduct studies and put forth suitable and effective policies.

Internal defense, particularly defense of the party and socialist system, must be strengthened. The center of this work is defending Marxism-Leninism, preserving ideological solidarity and unity of action within the party, and resolutely struggling against views and actions contrary to the lines and viewpoints of the party. The ideological front must be solidified, an active struggle must be waged against ideologically destructive activities, and the new operations of the enemy must be neutralized. The conflicts among the people must be found and resolved, the factors that generate internal instability must be eliminated, and steps must be taken to prevent the enemy from implementing their plan of "peaceful change."

Economic security must be strengthened, and destructive activities, smuggling, corruption, the theft of socialist property, and waste must be opposed.

A continuous offensive must be waged against national security crimes. Attention must be concentrated on intelligence targets, spies, reactionary elements among the religious and ethnic minority groups, lackeys of the old reactionaries, and opportunists. Those targets who steal socialist property related to political security, cross-border smugglers, and those who engage in corruption must be opposed. The movement to maintain the security of the fatherland must be maintained and expanded. Forces must be mobilized to participate in formulating joint combat rules and regulations to ensure that the targets are hit squarely and continuously to good effect.

Experience must be gained constantly, old policies and attitudes must be perfected, and new attitudes in accord with the situation in each period and with each type of target, site, and sphere, and that are in accord with the domestic and foreign lines of the party and state must be proposed. The operations mechanism must continue to be renovated, regulations on joint combat operations with forces outside the sector must be formulated, and the forces within the sector must be tied to each other

closely within a mobile and flexible joint combat mechanism in carrying out the regular tasks and in dealing with unexpected situations based on the plans formulated.

The organization of the various echelon security forces must continue to be perfected, and order, purity, strength, and dynamism must be maintained. Help must be obtained from the party committee echelons, authorities, and sectors concerned. Attention must be given to the standard of living of the cadres and soldiers. Work conditions must be provided, and steps must be taken to block the growth of negative phenomena stemming from the difficulties. Confidence must be solidified, and [the people's] sense of responsibility in maintaining the security of the fatherland must be heightened.

### **Party Targets Overseas Workers, Students**

912E0150A Hanoi NHAN DAN in Vietnamese  
27 Mar 91 p 3

[Article by Thanh Cao, party Foreign Affairs Committee]

[Text] Since the end of 1980, the state has signed cooperative labor agreements with various countries and sent hundreds of thousands of people to work and study abroad, including tens of thousands of cadres and party members.

The party organizations outside the country have defined the leadership tasks and ensured the completion of the labor, study, and work tasks of the cadres, workers, and students living abroad. At the same time, they have given attention to carrying on political and ideological education, managing the cadres and party members, defending politics, and strengthening internal solidarity. They have also controlled the implementation of the lines, positions, and policies of the party and state, monitored the enforcement of the local laws, and solidified and strengthened friendship with the peoples of the various countries.

In working, studying, and laboring abroad, thousands of youths have struggled to join the party. Many of the foreign students and researchers have, after returning home, become key cadres in various sectors and localities in the economic, cultural, educational, and scientific and technical spheres.

However, the new situation is posing new tasks for party work abroad. The changes in the international situation during the past period have had a great effect on the thinking of targets abroad.

In the face of this situation, party organizations outside the country have promptly changed directions and renovated party and mass work in accord with the spirit of the Central Committee's resolutions.

As for political and ideological work, in the past, study campaigns were usually organized depending on the size

of each area and city. Now, activities are carried at each small unit. During activities, the party members and masses manifest ideological freedom and democratically exchange opinions on the international and domestic situation and the changes that have taken place in the locality. From this, they have affirmed the path to socialism in our country and unanimously agreed with the viewpoints and principles of the party and state in today's renovation movement.

Ideological work is closely related to specific content, including defining the responsibilities and obligations of each target with respect to the state. At the same time, steps have been taken to ensure that the procedures and policies of the state are implemented correctly, that the legitimate rights of the masses living abroad, such as jobs, wages, housing, and travel safety are protected, and that the packing and sending of goods to the laborers is organized well. The bases are regularly provided with information using specific means, such as listening to the Voice of Vietnam Radio, purchasing various newspapers in the country, printing magazines and internal news bulletins, training reporters for the bases, scheduling talks on current events, and arranging for people to listen to cassette tapes and watch videos sent from home. Also, cultural, arts and letters, and sports activities are promoted at the bases with the aim of building a wholesome way of life.

The party bases abroad have begun to be consolidated, their quality has begun to improve, and they have begun to be reorganized by place of residence, place of work, and place of study based on the guideline "small, neat, and simple activities."

Reality has shown that party work abroad must give attention to the specific problems encountered in living in those places. The interests of the masses must be used as the target in order to attract large numbers of people to various organizations, such as student associations, occupational associations, fellow native associations, and overseas Vietnamese associations. These organizations are gathering places to strengthen solidarity and give practical help to those Vietnamese living abroad. For example, in the Soviet Union and a number of East European countries, a number of foreign students have graduated, but they want to and can remain there to practice or engage in scientific cooperation. Through the mass organizations mentioned above, the party committee echelons have grasped the legitimate wishes and aspirations of these people and submitted proposals to responsible management organizations and foreign organizations in order to enable these people to realize their dreams. In some cases, a number of our workers and laborers have completed their service there, but the enterprises have requested that they remain and continue working. In other cases, there hasn't been any work at the enterprises, but our workers have found work elsewhere. In these cases, the organizations abroad have taken steps to enable these people to continue working there. Besides the general problems concerning studying

and working, our organizations abroad have given attention to individual aspirations. They have, for example, organized things to enable people who have married a citizen of the local country to return home and visit their families. As a result, these people are very enthusiastic.

Although the things done to renovate party work abroad are just the beginning, this has had a good effect and strengthened the confidence of the Vietnamese community abroad in the leadership of the party organizations and in country's present renovation movement.

### Political Report Affirms Direction of Party

912E0152A Hanoi NHAN DAN in Vietnamese  
19 Mar 91 pp 1, 4

[Article by Nhan Dang: "Has Renovation Been Half-hearted or Thorough?"]

[Text] Correctly evaluating the results of renovation during the past four years is one of the most important elements of the Political Report. The draft Political Report states, "In preserving the ideals of socialism, the party, state, and people of Vietnam have found and opened up a path of renovation for which there was no previous model, and have gradually made the line of the sixth party congress part of life. The accomplishments of renovation have been welcomed by our people and acknowledged by our international friends. Although there are still many difficulties, the results that have been attained have confirmed the self-renovation capabilities of the Communist Party and people of Vietnam." That general observation has received wide agreement in all meetings held to solicit opinions at the basic level. It answers questions about the line and policies of renovation.

The problem at the forums is not that no opinions are expressed; on the contrary, some opinions even negate the major policies of renovation. Some people, through the loudspeakers of Western mass media, have attacked our party for "halfhearted renovation" and "not matching words with deeds," or for "lacking a complete viewpoint toward renovation." According to them, we are carrying out economic renovation but have been resistant toward political renovation, so we have walked with a limp, with one short leg and one long leg. We speak of economic renovation but do not completely accept the market mechanism; we still speak of macro-management and do not open the door widely for foreign capitalists to invest and merge our country's economy with the world economy, and also still speak of independence, autonomy, and self-reliance. We speak of political renovation, but just after we instituted freedom of thought and freedom of the press we quickly retrenched and insisted that democracy must be guided and must have a socialist orientation. We say the people are the roots but do not place the Fatherland Front and the mass organizations on an equal level with the party and place them in opposition to the party, and so forth.

It is not difficult to see that those attacks are baseless. The people who made the attacks either did not correctly understand what we have achieved in renovation or deliberately distorted the truth. That can be clarified by actual proof. Only one question must be answered immediately: When did people begin saying our party was "renovating halfheartedly"? It was after the sixth and seventh plenary sessions of the party Central Committee set forth the guiding principles of renovation, including the absolute affirmation that we will preserve socialist goals and preserve Marxism-Leninism and the leadership of the party. We said, "Renovation does not mean changing socialist goals, but enabling those goals to be attained effectively by means of correct viewpoints toward socialism and by appropriate forms, paths of advance, and measures." For that reason, and because of those goals, people have attacked us for being "halfhearted." Logically, "absolute renovation," according to them, means steering our undertaking onto the path of capitalism. That is something we will not do.

They also say that our party "lacks an overall viewpoint toward renovation." Is that correct? At the beginning, General Secretary Nguyen Van Linh said renovation is a revolutionary process and there was no previous model for that new undertaking. The sixth party congress had a historic significance and marked a turning point in the course of building socialism in our country, but it only set forth the major viewpoints and directions regarding renovation in the basic spheres. The process of implementing the resolution of the sixth party congress has been one of searching, experimenting, and gradually concretizing and developing the viewpoints and directions of the congress, and guiding the organization of their implementation. Thus, an "overall viewpoint toward renovation" did not descend from the sky and was not completed instantly by a superhuman brain. On the country, it is being formed and perfected over a period of time and is a process of creative endeavor by our party. We can say very proudly that we have carried out renovation thoroughly and in a conscious manner, although mistakes and deficiencies are unavoidable; in places and at times we have even slipped back into the old conservative ways of doing things. The important thing is that we have not committed serious mistakes which would have required us to pay a steep price, as in some countries, to the extent that socialism has been lost and the government has fallen into the hands of anti-communist forces that are opposed to the interests of the people.

Let us review the process of four years of renovation. The period from the sixth party congress to mid-1988 was a time in which our country's party and state concentrated on studying and promulgating the important resolutions and policies regarding production, circulation, distribution, security, national defense, foreign affairs, culture, art, the campaign to purify the party, and so on, while also dealing with urgent socioeconomic problems. During that period the newly promulgated stands and policies had not yet clearly affected life and

the socioeconomic situation and there was no notable transformation. Indeed, in some regards the situation deteriorated.

The period between mid-1988 and the beginning of 1990 was a time during which the previously promulgated stands and policies had an effect and brought about important initial results. The socioeconomic situation underwent a clear transformation. Furthermore, the party and state continued to promulgate new stands and policies.

The political situation is stable and national defense has been maintained. Although the security situation is still complicated, it is essentially stable. We are gradually ending the economic embargo and our political isolation, expanding international ties, and creating an environment favorable to the task of building and defending the nation.

Actual life and the specific daily developments in renovation are a hundred times livelier than statistics. Our greatest difficulties at present are that the nation still has not emerged from its socioeconomic crisis, renovation still has limitations, and many pressing socioeconomic problems have not yet been resolved. Nevertheless, the overall picture of our country, viewed from the socioeconomic and political-national defense perspectives, has changed considerably since the period before the sixth party congress.

What do the accomplishments that have been attained prove if not the correctness of the renovation policies? If it had been "halfhearted," it is certain that renovation would have failed. Many complicated new problems related to implementation of the market mechanism have also arisen during the present period.

Since the second quarter of 1990, in addition to the advances that have been maintained and developed, for many subjective and objective reasons, especially the deficiencies in macroeconomic management and the adverse impact of the international situation, our country's socioeconomic situation is facing new, very severe difficulties.

Although there have been different developments during each period, as stated above, we can affirm that the overall strong point during the past four years has been that the renovation task begun by the sixth party congress has won very important initial victories.

The economy is in the process of a qualitative transformation. A multicomponent commodity economy that operates in accordance with the market mechanism under the management of the socialist state has begun to take shape. Many of society's production capabilities have been mobilized more effectively, the three economic programs have achieved significant results, the inflation rate has been reduced, and the material lives and morale of a considerable number of people are more

stable and have improved in some regards. In comparison to the past, the severity of the crisis has been reduced.

Politically, the content and operational modes of the organizations in the political system have a spirit of renovation, along the lines of developing internal democracy and the people's rights of mastership, strengthening the authority of the popularly elected organs, increasing the management effectiveness of the governmental administrations at all levels, and strengthening the party, accompanied by improving its leadership of the state and society. If we had had "absolute renovation" along the lines of capitalism, with a 100-percent market economy and democracy of the kind that allows everyone to do anything they want, and with the organizations in the nation's political system competing with one another in the pluralistic, multiparty manner, it is certain that we would have erased everything we had achieved by our sweat and blood, and would even have abandoned the path of advance chosen by our people. Our unified viewpoint is that renovation is comprehensive, complete, and absolute, but must have appropriate steps, forms, and methods. Under the conditions of socioeconomic crisis, we must concentrate on doing a good job of carrying out our economic renovation, meeting the urgent needs of the people regarding life and work and other social needs, and building the material-technical bases of socialism, which we must regard as important conditions for favorably carrying out renovation in the political sphere. While carrying out economic renovation we must gradually renovate the organization and operational modes of the political system, and do an increasingly better job of bringing into play the master-ship right and creativity of the people in the political, economic, cultural, and social spheres. Who can say that, in view of the laws regarding commerce and investment, the decisions regarding the "10 contracts" system, and the renovation of the management mechanism in agriculture and industry, the democratic economic rights (a very important part of democracy) have not been developed? Who can deny that there is more and better democracy in the spheres of information, the press, and thought, and that there is democracy and openness in struggling against negative phenomena, corruption, and violations of law, or that there is democracy in the activities of the National Assembly, in the popularly elected organs, and even in internal party activities? There has been absolutely no question of "closing just after opening" or of our "saying but not doing," as those who deliberately attack us have said. Is it not true that increasingly large numbers of foreigners have come over to our side and that their view toward renovation is more favorable? You can close your eyes to the truth and distort the truth, but the truth will continue to shine clearly in broad daylight.

Renovation is proceeding on its two legs. For that reason, it is solidly advancing under the guidance of socialism.

### Hanoi University, Economics College Hold Congresses

912E0159A Hanoi NHAN DAN in Vietnamese 3 Apr 91  
pp 1, 4

[Article by Hai Duong: "Intelligence, Democracy, and Practicality"]

[Text] We noted an atmosphere of enthusiastic, practical, and persuasive speeches and debate at the congresses of delegates of Hanoi University and the National Economics College. Those are two large colleges with highly trained scientific cadres, including many professors, PhD's, and MA's who are occupying key specialized scientific positions in our country. Therefore, the congresses of the two party organizations were good opportunities for intellectual party members with expert knowledge of every sphere of scientific activity to contribute opinions on matters concerning the party's strategic line.

In both party organizations nearly all of the delegates had college-level, or higher, educations. Most of the delegates who spoke were professors who both teach and participate in the scientific research projects. Not desiring to speak at length, each of the speakers concentrated on a carefully reasoned topic, with deep analysis and specific political views, so they were highly effective and were well received by the congresses.

The party organization congress of Hanoi University concentrated on discussing five principal topics. There were many opinions about determining the nature and content of the present era and the characteristics of socialism. Most seething was the part concerning the role, position, and responsibility of technology, education, and training in the socioeconomic strategy between now and the year 2000. There were some opinions that if, in the period of transition, we only make technological preparations it will be too late. Instead, we must gradually perfect existing technology. It is necessary to be objective when examining the natural science and social science spheres. The "timely" nature of science does not mean that it is "instant noodles," but should be understood as meaning it can meet the urgent needs of the great undertaking of national renovation and perhaps are only forecasts of the future. In the case of social science, it should not be "forced" to supply justifications immediately. There must be depth and social science should not be allowed to have the nature of a movement and become a "ceremonial science" with few accomplishments and many weaknesses.

There were many different opinions concerning the worker-peasant-intellectual relationship, which caused an outbreak of debate. One delegate applauded the program for having put workers, peasants, and intellectuals on an even basis and thus clearly realizing the role and position of intellectuals in the socialist revolution. Another delegate did not approve of it, but thought that to be complete the classification should have been workers, peasants, soldiers, and intellectuals or, even

better, it should only be the worker-peasant alliance because intellectuals have merged with workers and peasants.

The party organization congress of the National Economics College focused its discussions on the economic line. The congress agreed unanimously with the major orientation of achieving a multicomponent commodity economy and encouraging a shift to the market mechanism, with macromanagement by the state. However, some expressed concern about the economic structure, economic components, and ownership. The economic strategy should clearly determine the specific goals and solutions and the leading economic sectors. In the near future, priority should be given to the clothing, electronics, informatics, and special agricultural-forestry-fishing produced for export.

When speaking of ownership and the right to use production means in a socialist regime, many approved the acceptance of a multicomponent economy and encouraging a shift to the market mechanism and the acceptance of its laws. Absolutely, divesting the system of socialist ownership should not be allowed, for that would annihilate the socialist production relations.

A source of concern, and something the intellectual party members at the two congresses sincerely wanted to say to the party, was how, by what means, we could find the "key" to a way out of the crisis. One delegate said that "key" is science and technology, the intellectuals, and "grey matter." Another expressed the opinion that it is necessary to seek foreign assistance and investment, to assimilate but not dissolve, etc.

It appears that there are no answers to the opinions that were debated, but they shed a ray of light. Where must we stand in order to use that "key"?

Our stand and our path have been clearly delineated and must be definitively affirmed: Advancement to socialism. That is the Vietnamese path, the Vietnamese way to advance. Independence, autonomy, and creativity are certain to succeed.

The two congresses were held at the same time and both concluded with that assurance.

## ECONOMIC

### Official Comments on Marketing Cooperatives

912E0154A Hanoi NHAN DAN in Vietnamese  
15 Mar 91 p 3

[Article by Nguyen Quang Quynh, vice minister of commerce: "Some Problems in Consolidating Marketing Cooperatives in the Renovation Process"]

[Text] On 15 March of this year the marketing cooperative sector commemorated the 36th anniversary of its founding, against the background of the socioeconomic situation having undergone complicated changes.



Although renovation has brought about important accomplishments, they are not yet solid, inflation and financial-monetary confusion have not been eliminated, and production is in a difficult situation and is some respects has declined. The country still has not escaped from its economic and social crisis.

The "10 contracts" mechanism has created a new motive force for stimulating the development of agricultural production and has contributed to changing the face of the countryside. The rural economy plays an increasingly important role in production and circulation and is an economic entity that participates in the market. Each family organizes its own production process and the marketing of products. Therefore, in addition to developing the commodity economy there is the process of forming centralized regional markets tied in with the markets, towns, and cities.

With regard to the marketing cooperative sector, the serious consequences of 1989 have not been overcome. Many cooperatives have been dissolved or changed to other forms. Business activities have declined, and a considerable number of marketing cooperatives are operating at a loss. The marketing cooperative organizations in the districts and provinces are not stable. The awareness of some sectors, party committee echelons, and local administrations concerning the role and position of marketing cooperatives is not yet uniform. Many problems regarding regulations and policies still have not been resolved, or have not been fully resolved. However, in the course of two challenging years many marketing cooperatives have found appropriate paths of advance, have stood firmly, and have made progress. In all localities there have appeared new factors and exemplary units with effective working methods. In many places the marketing cooperatives are still the principal forces supplying essential products to the peasants and have limited the negative effects of private commerce in the rural markets. A number of new organization models have been tested and have achieved initial results. For example, the marketing cooperative federations of Ho Chi Minh City, Hai Phong, and Hau Giang were model units in 1990. They made many all-out efforts in consolidating and building the movement and did a good job of serving production and the lives of the local people.

If in 1989 the breaking up of many marketing cooperatives caused a considerable number of people to be concerned and worried, the results attained in 1990, although few in number and not comprehensive, made many people more at ease when beginning to fulfill the 1991 tasks.

The rural market encompasses more than 80 percent of the nation's population. The requirements of protecting the rights of producers and consumers, encouraging the development of the commodity economy, and participating in carrying out the social policies in rural areas are posing great responsibilities for the marketing cooperative sector. The essential requirement of preserving and developing the cooperatives has been affirmed, but

everyone realizes that they cannot continue to exist as at present. The actual situation of activities during the past two years has pointed out the deficiencies in organization and management, the actual economic strength, competitive capabilities, and the cadres of the marketing cooperatives, and we can learn many useful lessons. Every cooperative must renovate itself and adapt dynamically and rapidly to the new conditions and environment.

The commerce of the marketing cooperatives must be tied in with the production and lives of the local people, be oriented toward meeting the needs of the local markets, ensure economic effectiveness, participate in supplying materials and marketing products, and create conditions for the family economy to develop.

In consolidating organization it is necessary to overcome the situation of formalism, clearly affirm that building the marketing cooperatives does not have to have the nature of a movement with only political goals, as in the past, but above all must be based on the economic benefits and the benefits of the cooperative members. We must fully understand and fully achieve the principles of voluntariness, mutual benefit, and democratic management. Cooperative members contribute shares in their true sense, and the cooperative, for its part, is responsible for serving and guaranteeing their economic rights. Marketing cooperatives create conditions by means of direct economic motive forces to attract large numbers of cooperative members to participate and contribute to meeting the commercial requirements.

We must achieve the diversification of the organization models of the basic-level marketing cooperatives, with many different levels and scales in the localities and in each area. The towns, cities, and population centers with centralized markets in rural areas are rational locales for building the local marketing cooperatives. It is necessary to form federations step-by-step and organize their economic activities well to positively support the local marketing cooperatives.

Capital is a hot topic at present. The marketing cooperatives' most important source of capital must be the mobilization of capital from the people, cooperative members, and organizations with temporarily idle capital. However, to create the initial strength and to create a basis for the marketing cooperatives to organize commerce and mobilize share capital there must be support from the state, especially in the form of investment credit. Conditions must be created for the marketing cooperatives to borrow capital conveniently, at fair interest rates, in order to have capital for doing business in the essential consumer goods and some of the materials serving production, and consider the investment of initial capital and its gradual recovery by means of contributions by marketing cooperatives to the state budget.



At present, one of the factors impeding the rectification of organization and the transformation of the collective mechanism of the entire sector is the cadre policy.

During the past 36 years many cadres have been added to implement the policy of the party and state on developing marketing cooperatives. At present, from the district level up to the sector level there are about 22,000 cadres employed by the state, many of whom are scientific-technical cadres and many of whom have worked for many years. Therefore, there must be clear policies, especially a social security policy, for those cadres to put them at ease and enable them to work without worry when all activities of the marketing cooperatives are transferred to the collective mechanism.

In 1991, in order to strengthen its activities and consolidate its activities in the rural market, the entire marketing cooperative sector must concentrate on performing the following tasks well:

Expanding commercial activities and organizing well the supply of consumer goods and production means to the peasants. Consolidating the position of the marketing cooperatives in the rural market and creating the preconditions for future development.

Improving the effectiveness of economic activities and overcoming unprofitability. Strengthening commercial management and financial management in the marketing cooperatives and overcoming the present situation of giving the commercial units a "blank check." Strengthening democratic management and heightening the role of the cooperative members' congress and the cooperative member chapters.

Taking positive steps to overcome difficulties with business capital. Stepping up the mobilization of share capital and effectively developing the other sources of capital, such as idle capital among the people and joint venture and federation capital. Fully utilizing the form of serving as agents in buying and selling for the other economic organizations.

Categorizing the marketing cooperatives and the commercial units in order to take steps to strengthen each kind. Paying attention to strengthening and expanding the activities of the local marketing cooperatives where conditions permit, rectifying the district and provincial management committees, deploying sufficient cadres, and rearranging organization so that it can be streamlined and effective.

The mission of the marketing cooperative sector in 1991 includes many tasks that must be carried out and there are still many difficulties, but there are basic advantages. Each cadre and worker in the sector must endeavor to meet the goals that have been set and bring about a basic transformation in all activities. Conditions must be prepared to hold a national congress of marketing cooperatives in the near future.

### Relationship Between Planning, Market Viewed 912E0161A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Apr 91 pp 1, 2

[Article by Ngo Huong of the Ho Chi Minh City Banking College: "On the Relationship Between Planning and the Market"]

[Text] The draft program to build our country's economy in the period of transition to socialism states, "We will build a planned commodity economy and achieve a market mechanism with state management." The draft Political Report to be delivered at the seventh party congress also stresses, "The mechanism for operating a multicomponent commodity economy with socialist orientation is a market mechanism managed by the state by means of plans, policies, and other tools."

That is an extremely correct line that meets our country's present economic construction requirements. However, the content of the relationship between planning and the market is still being debated by many economists, who have not yet reached agreement.

We will boldly contribute the following about the content of the relationship between planning and the market:

1. In a market economy, planning must be based on the market.

The specific market here is the consumption capacity of society. Consumption capacity is not the same as demand. Consumption capacity is dependent on income and the people's wants, on the quality and prices of products, and so on. Any commodity or service that is produced or provided must be accepted by society if its production and circulation cycle is to be completed.

Therefore, the planning methodology must be changed. In the past, our planning was based in a mechanical manner on the needs of society, many kinds of products that were produced were not accepted by society, which wasted a great deal of the people's money. Now, planning must begin with the market. If we want to invest in production, we must first of all investigate the market's capacity, which means that we must first determine society's consumption capacity. Businesses in the market mechanism are more or less successful than the others in that whoever predicts the market most accurately will win. Due to the consequences of the subsidy management process, in the past our businessmen, especially the managers of state enterprises, have not been adequately concerned with the market, but have been concerned primarily with production capital and the scale of production. Producing large quantities and surpassing the plan norm were good, and there was little concern about whether the goods that were produced could be sold. Thus, almost all enterprises lack capital because they cannot rapidly market their products and their capital is tied up. If they want to continue production they must borrow.

Another problem is that we have not done a good job of taking care of policies on marketing, which has caused a blockage, so capital has not been liberated but has stagnated to a serious extent, at a time when the economy's capital is limited. For example, the Saigon Export Wood Processing Enterprise cannot sell 18,500 cubic meters of wood for export, valued at 2.5 million dollars, because it does not have an export permit. No matter what the reasons are for such situations—whether objective or subjective—they all harm the economy.

Especially in the export-import sphere the market plays an even more important role. Disastrous consequences will arise if goods are produced but there is no export contract. The peasants will lose confidence in the state and the producers will lose confidence in commerce. That has been manifested in one place or another: Peasants must cut down their coconut trees because no organ would buy their coconuts. Why is that? Because we do not have a stable market for marketing products. The most important feature of the market mechanism is that there must be solid planning for the marketing of products before a decision is made to provide capital or set up an enterprise.

## 2. What tools will the state use to manage the market and carry out planning?

In the market mechanism, the state cannot intervene directly in production and commercial activities, but it can indirectly affect the production units with its existing tools in order to implement the orientation of the production structure that has been adopted.

The first tool is finance, consisting of supplying capital and taxation. With its existing right to supply capital, the state can supply it in accordance with the production structure established for the state enterprises. As regards private enterprises, the state may use the tax policy. For the production units the expansion of which needs stimulation, the state can reduce their taxes or exempt them from taxation. It can increase taxes on production sectors that need to be limited. The tax policy is a very flexible policy which the socialist state can use as a tool to regulate the economy's production structure.

The second tool is the banks' monetary and credit policies. In the market mechanism the banks' monetary-credit policies play a paramount role because they affect many key concerns of the economy such as economic growth, inflation, and unemployment.

For example, when the banks decide to increase the volume of currency in circulation, it will cause investment to increase, the economy to develop, and unemployment to decline, but it could lead to inflation. Conversely, investment will decrease and inflation may be brought down when the banks decide to reduce the money supply, but there will be unemployment. Our problem is to create a banking system capable of controlling the volume of money in circulation in order to manage the monetary policies in a flexible way.

As for the other tools, the financial and banking tools are the primary direct tools of the socialist state in regulating a commodity production market, but they can be effective only when supported by many other tools, such as strict but fair laws, complete and rational regulations and policies, and so on. For example, the state enterprises must be forced to adopt the commercial system of a limited liability corporation, state enterprise directors must be responsible to the people for their business results, and so on.

3. One researcher recommended that the following correction be made in the contents of the draft Program: "It is necessary to stress both the development of a commodity economy and regulation by the socialist state."<sup>1</sup> I believe that such a statement implies that there is a contradiction between planning and regulation by the state and the production of commodities. In fact, there is no contradiction between regulation by the socialist state through macromanagement and the production of goods. We are entirely capable of proving that the production of goods in the phase when there was no state regulation often resulted in competition and harmed society. During the phase of strong development, the conscious regulation of commodity production will reduce harmful competition and only increase wholesome competition (harmful competition is price competition, wholesome competition is competition in quality and production management). Those two phases have also existed in the international division of labor. The present international economic relationship is an associated relationship with consciousness of prices and a regulated exchange volume. Countries compete with one another primarily through product quality and managerial skill.

In view of the above, if we change our planning methodology and emphasize the market, the relationship between planning and the market will be a unified and essential relationships.

## Footnote

1. Hoang Anh Nguyen, "On the Relationship Between Planning and the Market," TAP CHI CONG SAN, March 1991, p. 23.

## Confusion Seen in Implementation of Income Tax Law

912E0160A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Apr 91 p 1

[Article by Thuy Phuong: "Income Tax—Another New Policy That Has Not Been Carefully Prepared and Carried Out Promptly and Uniformly"]

[Text] Since the beginning of April, the parcel distribution stations at airports and seaports, the national construction lottery corporations, and the banks that were permitted to trade and do business in foreign exchange have fallen into the most confused circumstances ever. The reason is that on 1 April 1991 there began to be

implemented the Income Tax Law vis-a-vis people with high incomes, but the units that had official tax collection functions or were authorized to collect taxes, as well as the people who were to be taxed, have not received specific guidance regarding the categories of people to be taxed, the tax rate, the method of calculating taxes, etc. Everyone knows about the Income Tax Law only in a general way, from what has been printed in the newspapers.

The lottery corporations, parcel distribution stations, and banks have many customers. If they stopped distributing or making payments, the customers would exert pressure. The places that have paid out money are afraid of having to pay back taxes on it and don't know how they are going to recover the money they paid out to their customers. There has been no detailed guidance and "explanations" to the various strata of people since promulgation of the Income Tax Law, which has resulted in the volume of gold and foreign exchange remitted by overseas Vietnamese declining disastrously since the end of March.

Not until the afternoon of 9 April did we receive news from inside sources in a number of sectors (information that should have been communicated openly and broadly) that the Ministry of Finance had issued document No. 428/TC-TCT (signed 4 April 1991 in Hanoi, four days after the effective date of the implementation of the Income Tax Law), giving guidance about implementing the Income Tax Law. While awaiting detailed documents from the Council of Ministers and guidance circulars, the Ministry of Finance requests the tax departments to report to the provincial and municipal people's committees concerning guidance of the immediate implementation of the Income Tax Law after 1 April 1991. They must do so by issuing notices delegating to organizations, organs, units, and individuals responsibility for making the income tax payments, calculating the income taxes, and deducting the income taxes before making payments on behalf of the taxable categories to pay into the state treasury. But we know that as of now the units directly responsible for making payments for people with high incomes has not received specific guidance.

The official letter of the Ministry of Finance regarding implementation of the Income Tax Law only gave guidance about some points of the law and did not deal with all of its contents so that the law can be implemented completely. There was no guidance regarding the calculation of regular income taxes of Vietnamese and foreigners, and as regards irregular income there was guidance regarding only some points:

Anyone who wins a lottery of more than 10 million dong at one time by buying a ticket or an entire book of tickets must pay an income tax of 10 percent on the amount won. For example, anyone winning a lottery of 10 million dong at one time does not pay taxes, but a person who wins 15 million dong must pay an income tax of  $15,000,000 \times 10 \text{ percent} = 1,500,000$  dong. The lottery

corporations must deduct income taxes from lottery winnings after 1 April for payment to the state treasury.

As regards income taxes on money or goods sent by family members residing abroad, the customs organ must be authorized to calculate the taxes and make income tax deductions for payment into the state treasury before those income payments are made to the recipients. The income tax instituted on 1 April is based on customs declarations (the date on which customs forms were filled out). Income originating before 1 April is not subject to the income tax (even in cases in which customs forms were completed but the goods or money had not been delivered to the recipients). Income taxes are calculated on the basis of the value of each shipment of goods or the market value (that is, the value calculated for paying noncommercial import taxes) after the deduction of import taxes. If the income is in the form of foreign exchange it must be exchanged for Vietnamese money at the rate posted by the State Bank at the time of the origin of the income. Income taxes are imposed each time income is received at the organ paying the income.

Collecting income taxes from people with high incomes is rational and contributes to achieving social justice. However, as regards the tax rate, the level of income at which the tax begins, the effective date, the sphere of application, etc., there are still many problems that must be discussed in order to truly win the sympathy of those who are taxed. That task must be carried out deeply, broadly, and completely among the sectors before application begins. Slovenly work methods have made many people dissatisfied recently and have resulted in adverse consequences that must be overcome permanently.

## SOCIAL

### Smuggling Case Uncovered in Kien Giang

912E0157A Hanoi NHAN DAN in Vietnamese 1 Apr 91 p 1

[Article: "Kien Giang Uncovers Major Smuggling Case in Tourism Corporation"]

[Text] On 22 June 1990, after two Thai ships left the port of Hon Chong in Kien Giang en route to Thailand, they were intercepted by ship No. 103 of the Export Seafood Processing Corporation of Hau Giang Province at coordinates 80 degrees north latitude and 104 degrees east in Vietnam's territorial waters. The responsible organ discovered on board the two ships 11 kilograms of gold and \$81,000. The Thai ship captain declared that he had received the money and gold from the Kien Giang Tourism Corporation in payment for goods. On 5 July 1991 the case was transferred to Kien Giang for investigation and prosecution.

In addition to its primary responsibility of tourist services for domestic and foreign guests, the Tourism Corporation of Kien Giang Province was authorized by

the provincial people's committee to form a joint venture with the Bangkok (Thailand) Manufactured Goods Corporation to obtain goods to serve the tourism needs. In 1989 the (former) Ministry of External Economic Affairs issued the corporation a permit to trade with foreign countries. After it received permission, the corporation used its facilities, primarily ships and boats, to go to Thailand to exchange goods. By the time it was caught it had made seven trips carrying goods worth a total of \$1,849,951.

The importing corporation contracted the provincial export-import federation to make three of the trips, and in the fourth quarter of 1989 made four trips itself. The provincial people's committee authorized the Kien Giang Tourism Corporation to export agriculture and import all kinds of construction materials, equipment, and consumer goods to serve tourists. However, in the implementation process the seven trips resulted in an imbalance: There was only one export shipment valued at \$5,700 but there were many imports. There were false declarations that the imported goods were on the list authorized by the permit. The total amount of taxes evaded was more than 3 billion Vietnamese dong and the value of smuggled goods not included in the list was more than \$200,000. That corporation also illegally paid foreign exchange to the Thai corporation although it had not been authorized to do so by a competent echelon.

An investigation is being urgently carried out, with the participation of the Supreme People's Organ of Control and the Ministry of Interior. Kien Giang Province decided to suspend its work, and the provincial people's organ of control decided to prosecute the corporation's management board which consists of three people, the head of the planning office, the chief accountant, and the deputy head of the planning office. Le Ky Phung, former head of the planning office, has been detained pending investigation. Phung admitted taking advantage of his position to make money illegally. Huynh Long, the chief accountant, and Nguyen Thinh, the deputy head of the planning office, admitted that a number of negative acts took place in that unit, especially the abuse of authority and responsibility that had been assigned, and that state regulations were deliberately violated.

The case is in the stage of completing dossiers so that it can be transferred to the provincial people's organ of control, and will be brought to trial in the near future for the crimes of smuggling and tax evasion.

## BIOGRAPHIC

### Information on Personalities

91SE02624

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless

otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

#### Le Duc Anh [LEE DUWCS ANH], Senior General

Member of the CPV [Communist Party of Vietnam] Politburo; minister of defense; recently he visited a number of military installations in Ho Chi Minh City. (Hanoi NHAN DAN 4 Feb 91 p 1)

#### Cu Dinh Ba [CUF DINHF BAS]

\*Assistant to the minister of foreign affairs; on 28 Feb 91 he attended a ceremony held on the occasion of Bulgaria's national day. (Hanoi NHAN DAN 2 Mar 91 p 4)

#### Nguyen Van Ben [NGUYEENX VAWN BEN], \*Major General

\*Deputy commander of the Border Defense Forces; his article on mobilizing the people to protect the border was published in the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 28 Feb 91 p 3)

#### Vu Hac Bong [VUX HAWCS BOONG], aka Vu Hac Bong [VUX HAWCS BOONGF]

Director of the Foreign Affairs Office, Ho Chi Minh City; on 3 Feb 91 he was present at a meeting where General Secretary Nguyen Van Linh received several foreign delegations. (Hanoi NHAN DAN 4 Feb 91 p 1)

#### Nguyen Buong [NGUYEENX BUWOWNGF]

\*Chairman of the People's Committee, Quang Tri Province; recently he welcomed a Lao delegation visiting his province. (Hanoi NHAN DAN 28 Feb 91 p 4)

#### Tran Duc Cang [TRAANF DUCWS CANG]

\*Assistant to the minister of foreign affairs; on 7 Feb 91 he attended the Tan Mui Lunar Year ceremony held for foreign diplomats in Hanoi. (Hanoi HANOI MOI 8 Feb 91 p 4)

#### Trans Quang Co [TRAANF QUANG COW]

Vice minister of foreign affairs; on 3 Feb 91 he was present at a meeting between General Secretary Nguyen Van Linh and several foreign delegations. (Hanoi NHAN DAN 4 Feb 91 p 1)

#### Phan Van Dinh [PHAN VAWN ZINHX]

\*Vice minister of finance; \*head of the General Department of Taxation; on 8 Feb 91 he signed an agreement on taxation cooperation with Swedish Ambassador to Vietnam Brigitta Johansson. (Hanoi HANOI MOI 9 Feb 91 p 4)

#### Trinh Duc Du [TRINHJ DUWCS ZUJ]

\*SRV minister counselor in Paris; on 16-17 Feb 91 he attended a conference held by the Vietnam-France

Friendship Association in Paris on cooperation between the two countries. (Hanoi NHAN DAN 20 Feb 91 p 4)

**Nguyen Chi Dung [NGUYEENX CHIS ZUNGX]**

\*Vice chairman of the Vietnam-China Friendship Association; on 9 Feb 91 he spoke at a meeting held by this association to celebrate the 41st anniversary of the establishment of diplomatic relations between Vietnam and China. (Hanoi HANOI MOI 11 Feb 91 p 4)

**Tran Dinh Duan [TRAANF DINHF ZUAANR], deceased**

\*SRV commerce attache in the DPRK; on 27 Jan 91 he died as a result of injuries received in a traffic accident in Pyongyang. (Hanoi NHAN DAN 13 Feb 91 p 4)

**Ha Dang [HAF DAWNG]**

Editor in chief of NHAN DAN daily; on 5 Mar 92 he welcomed Pham Van Dong, adviser to the CPV Central Committee, who was visiting the newspaper. (Hanoi NHAN DAN 11 Mar 91 p 3)

**Nguyen De [NGUYEENX DEEJ], Lieutenant General**

Commander of the 9th MR [Military Region]; on 20-22 Jan 91 he welcomed Chairman of the State Council Vo Chi Cong who was visiting Hau Giang Province. (Hanoi NHAN DAN 29 Jan 91 p 4)

**Nguyen Ngoc Giao [NGUYEENX NGOCJ GIAO]**

Deputy head of the Overseas Vietnamese Department of the CPV Central Committee; on 9 Feb 91 he met with a group of overseas Vietnamese visiting Vietnam. (Hanoi NHAN DAN 11 Feb 91 p 1)

**Phan Khac Hai [PHAN KHAWCS HAIR], \*Major General**

Editor in chief of QUAN DOI NHAN DAN daily; on 20 Oct 90 he made a speech at a ceremony marking the 40th anniversary of his newspaper. (Ho Chi Minh City SAIGON GIAI PHONG 22 Oct 90 p 1)

**Duong Chi Hoa [ZUWOWNG CHIS HOAF] aka Bay Bien [BAYR BIEENS]**

\*Chairman of the People's Committee, Cuu Long Province; recently he was interviewed by SAIGON GIAI PHONG daily. (Ho Chi Minh City SAIGON GIAI PHONG 28 Feb 91 p 1)

**Nguyen Duc Hoan [NGUYEENX DUWCS HOAN]**

\*Secretary of the CPV Committee, Quang Tri Province; recently he welcomed a Lao delegation visiting his province. (Hanoi NHAN DAN 28 Feb 91 p 4)

**Vu Tuyen Hoang [VUX TUYEEN HOANGF]**

Vice minister of agriculture and food industry; on 11 Jan 91 he chaired a conference in Ho Chi Minh city on

agricultural production in southern provinces. (Ho Chi Minh City SAIGON GIAI PHONG 13 Jan 91 p 1)

**Vu Manh Kha [VUX MANHJ KHA]**

Member of the Hanoi CPV Committee; vice chairman of the Hanoi People's Council; he recently visited SRV troops in Lang Son Province. (Hanoi HANOI MOI 11 Feb 91 p 1)

**Tran Kien [TRAANF KIEEN]**

\*Deputy editor in chief of NHAN DAN daily; on 5 Mar 91 he welcomed Pham Van Dong, adviser to the CPV Central Committee, who was visiting the newspaper. (Hanoi NHAN DAN 11 Mar 91 p 3)

**Tran Van Loan [TRAANF VAWN LOANJ], \*Colonel**

\*Commander of Major Unit 325; his article on his unit was published in the cited source. (Hanoi NHAN DAN 4 Mar 91 p 3)

**Tran Xuan Man [TRAANF XUAAN MANJ]**

\*SRV ambassador extraordinary and plenipotentiary to Algeria; on 25 Feb 91 he presented his credentials to the president of Algeria. (Ho Chi Minh City SAIGON GIAI PHONG 28 Feb 91 p 4)

**Dam Van Nguy [DAMF VAWN NGUYJ], Lieutenant General**

Member of the CPV Central Committee; commander of the 1st MR; he was interviewed about his troops' basic needs. (Hanoi QUAN DOI NHAN DAN 5 Jan 91 p 2)

**Le Thanh Nhan [LEE THANH NHANF]**

Member of the CPV Central Committee; secretary of the CPV Committee, Hau Giang Province; on 20-22 Jan 91 he welcomed Chairman of the State Council Vo Chi Cong, who was visiting his province. (Hanoi NHAN DAN 29 Jan 91 p 4)

**Nguyen Minh Ninh [NGUYEENX MINH NINH]**

\*Chairman of the People's Committee, Vung Tau-Cong Dao Special Zone; on 27 Jan 91 he reported to Council of Ministers Chairman Do Muoi on the socioeconomic situation of the zone. (Hanoi NHAN DAN 5 Feb 91 pp 1, 4)

**Nguyen Ha Phan [NGUYEENX HAF PHAN]**

\*Member of the CPV Central Committee; chairman of the People's Committee, Hau Giang Province; on 20-22 Jan 91 he welcomed Chairman of the State Council Vo Chi Cong, who was visiting his province. (Hanoi NHAN DAN 29 Jan 91 p 4)

**Nguyen Tien Phong [NGUYEENX TIEEN PHONG]**

Deputy head of the Proselytizing Department of the CPV Central Committee; on 9 Feb 91 he met with Hoa cadres in Hanoi. (Hanoi HANOI MOI 11 Feb 91 p 1)

**Nguyen Minh Quat [NGUYEENX MINH QUAT]**

\*Chairman of Lang Son Province; on 10 Feb 91 he welcomed State Council Chairman Vo Chi Cong who was visiting Lang Son Province. (Hanoi HANOI MOI 12 Feb 92 p 1)

**Dang Quoc Sam [DAWNGJ QUOOCS SAM]**

\*Deputy head of the State Science and Technology Commission; on 6 Feb 91 he accompanied Vice Chairman of the Council of Ministers Vo Van Kiet on a visit to Malaysia. (Ho Chi Minh City SAIGON GIAI PHONG 9 Feb 91 p 1)

**Trinh Tran [TRINHJ TRAAN] \*Major General**

\*Acting commander of the Border Defense Forces; he was interviewed in the cited source on activities relating to Border Defense Day on 3 March. (Hanoi QUAN DOI NHAN DAN 28 Feb 91 p 2)